Stock Code: 6446

PharmaEssentia Corp.

2025 Annual Report

Taiwan Stock Exchange Market Observation Post System:

http://mops.twse.com.tw

PharmaEssentia's Annual Report is available at:

https://hq.pharmaessentia.com/tw/ir_shareholder

Published on May 8, 2026

1. **Name, title, contact number, and e-mail address of the Company's spokesperson and acting spokesperson:**

Spokesperson: Lin, Ko-Chung — E-mail: ir@pharmaessentia.com
Title: Chief Executive Officer — Tel: 886-2-2655-7688
Acting Spokesperson: Luo, Hsiao-Hui — E-mail: ir@pharmaessentia.com
Title: Deputy Director — Tel: 886-2-2655-7688

2. **Address and contact number of the Company's headquarters, branch offices, and factories:**

Address of Headquarters: 13F., No. 3, Yuanqu Street, Nangang District, Taipei City
Tel: 886-2-2655-7688
Address of Taichung Branch Office: 3F., No. 28, Keya West Road, Daya District, Taichung City
Tel: 886-4-2567-7880

3. **Name, address, website, and contact number of the agency handling share transfers:**

Transfer Agency Dept., CTBC Bank
Website: http://www.ctbcbank.com
Address: 5F., No. 83, Section 1, Chongqing South Road, Zhongzheng District, Taipei City
Tel: 886-2-6636-5566

4. **Name of the certified public accountant (CPA) who duly audited the annual financial report for the most recent fiscal year, and name, address, website, and contact number of the CPA's accounting firm:**

Name of CPA: Lu, Chain-Uen, Chang, Chiao-Ying
Name of Accounting Firm: Ernst & Young
Website: http://www.ey.com/tw/zh_tw/home
Address: 9F., No. 333, Section 1, Keelung Road, Taipei City
Tel: 886-2-2757-8888

5. **Name of any exchanges where the company's securities are traded offshore and method for accessing information on said offshore securities:**

Global depositary receipts
Listed exchange: Luxembourg Stock Exchange
Website: https://www.bourse.lu/Accueil.jsp

6. **Company website:**https://hq.pharmaessentia.com/tw

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I. Letter to Shareholders

Dear Shareholders,

2025 was a year of continuous breakthroughs and steady growth for PharmaEssentia. While the global economic environment remained affected by foreign exchange volatility, tariff policy adjustments, and geopolitical uncertainties, the Company has continued to develop our core business operations in 2025. Our annual revenue grew by over 60% for the year, fully demonstrating the competitiveness of the Company's products.

During this past year, the Company had continued to focus on the market expansion and global roll-out of our core products. Apart from expanding the sales teams for major markets such as the United States and Japan in order to strengthen our implementation of sales strategies and enhance our local service capabilities, we have also steadily expanded into global markets through optimizing our channels for marketing and communicating with medical professionals. At the same time, the Company has continued to improve operational efficiency, control costs, and maintain organizational effectiveness, in order to lay a solid foundation for steady long-term development.

With regard to our clinical trials and R&D, the Company has continued to invest resources into obtaining drug licenses and expanding the indication scope for our existing products, and developing new products. Ropeginterferon alfa-2b (Ropeg, also known as P1101) has been newly-approved for treating adult patients with polycythemia vera (PV) in Brazil, Argentina, and Hong Kong in 2025. To date, the drug has been approved in almost 50 countries around the world, including major new drug markets such as the United States, Japan, China, and the European Union. Additionally, the Company has also submitted drug licensing applications for Ropeg in the United States, China, Japan, and Taiwan in 2025, for approval in the treatment of Essential Thrombocythemia (ET) as a second indication for the drug. The clinical and regulatory procedures for this process have progressed according to schedule. Our plans for conducting global Phase III clinical trials for the treatment of pre-fibrotic/early primary myelofibrosis (PMF) or overt PMF at low or intermediate-1 risk according to DIPSS Plus (HOPE-PMF) are proceeding as scheduled.

The Company's innovation and research center in Boston continues to leverage its core technological platforms to advance the development of new drugs, including drugs based on innovative new technologies such as TCR-T therapy. We have gradually built a diverse R&D pipeline focused on a core R&D strategy of developing first-in-class (FIC) and best-in-class (BIC) drugs. We firmly believe that continuous and disciplined investment into R&D is what fundamentally enables the Company to create long-term value, and that this investment will become a key driver of future growth.

We would like to thank all shareholders for their continued support and trust in the Company. The Company will continue optimizing our operations and R&D, balancing profit growth with sustainable corporate development, and striving to create long-term shareholder value while operating prudently.

The following is a report to shareholders on the Company's important business achievements in 2025, and a summary of the business plan for 2026:

1. 2025 Business Report

(1) Business plan results

Financial performance

Since obtaining drug licensing approval for PV treatment in the United States in November 2021, global sales for Ropeg have continued to expand, steadily bringing up overall revenue growth. The Company's annual revenue reached NT$15.63 billion in 2025, an increase of 60.61% compared to the same period in 2024. This was mainly due to the increased demand for Ropeg in major markets, and steady growth from increasing market penetration. Overall business performance has maintained a trend of steady growth.

Ropeg global market expansion and R&D development

During 2025, the Company received additional drug licensing approval for the use of Ropeg in PV treatment in Brazil, Argentina, and Hong Kong. This further expanded our product accessibility on the international market. We have also applied for drug licenses in new markets such as Vietnam and Canada. In particular, the Canada drug license application marked an important milestone in our expansion into the North American market.

In order to help meet demand from the North American market, the Company's raw materials plant in Taichung, drug manufacturing plant in Taipei, and outsourced syringe filling plant in the United States have all passed the Canadian Good Manufacturing Practices (GMP) regulatory audit in 2025, and have officially obtained the Canada Drug Establishment License (DEL), helping the Company more effectively manufacture and supply drugs to the North American market.

The Company has also submitted a Supplemental Biologics License Application, (sBLA) to the United States FDA for the Ropeg pen device. The injector pen device is designed to simplify the injection process, making the drug easier to administer. It specifically helps to improve medication compliance in older patients, improving the patient drug treatment experience. The Company has completed preparations to mass produce the product commercially, and will implement plans to launch the product on the market based on the review progress of the competent authorities.

Since June 2024, patients have been allowed to self-administer Ropeg for PV treatment in Japan, with support from Japan's National Health Insurance. Additionally, restrictions on how long a prescription remains valid have been relaxed. This has significantly reduced the burden on patients by reducing prescription refill frequency and healthcare expenses, effectively making it more convenient for patients to receive treatment, while also contributing to an increase in Ropeg's acceptance and usage rate in Japan. Additionally, in 2025 the Company's Japanese subsidiary also submitted an application for a post-approval change to Ropeg's administration and dosage. The application proposed that Ropeg's current medication package insert be changed to specify a higher dosage, in order to speed up PV treatment.

Apart from the PV indication, the Company has also continued to actively expand the use of Ropeg in treating other Myeloproliferative Neoplasms (MPN) diseases, including ET and PMF. At the same time, the Company has continued to utilize our proprietary PEGylation technology platform, in combination with other cytokines, to continue R&D into more long-acting therapeutic protein drugs.

- The statistical results on the primary endpoint of the global Phase III clinical trial evaluating Ropeg for ET treatment (SURPASS ET) were officially announced in early 2025. The Company has subsequently applied for drug licenses in 2025 in China, Taiwan, Japan, and the United States for approving Ropeg as a treatment for ET. We have also began making the necessary medical, marketing planning, and market access preparations in advance, in order to expand into this market in the future.
- The Company is currently proceeding according to schedule in recruiting for the global Phase III clinical trials of Ropeg as a treatment for pre-fibrotic/early primary myelofibrosis (PMF) or overt PMF at low or intermediate-1 risk according to DIPSS Plus (HOPE-PMF).
- Apart from the clinical trials led by the Company, the Company has also continued to work together with top global medical institutions and business partners around the world to conduct Investigator-Initiated Trials (IITs) to continue developing more new indications for Ropeg outside the treatment of MPN-related diseases. This includes treatment for Cutaneous T-Cell Lymphoma (CTCL) and Chronic Myeloid Leukemia (CML).

(2) Budget implementation status

The Company has not publicly disclosed a financial forecast for 2025, and related budgets are only used for internal business management purposes. The Company's operating results in 2025 were mainly affected by product sales progress, investment into R&D, and our market expansion strategies. The Company has fully complied with the operating plan established by management when implementing business operations, and no abnormalities were found when comparing the actual net operating profit to the predicted net operating profit. Net profit for the period increased compared to the budget.

(3) Analysis of revenues, expenditures, and profitability

Since PharmaEssentia obtained regulatory approval for PV in Europe in 2020, the United States in November 2021, and Japan in March 2023, the roll-out of drug sales in multiple markets worldwide has driven revenue to a record high. Coupled with effective cost control and an increase in non-operating income, the actual net profit for the period increased compared to the budget.

The revenue audited by the CPAs for the fiscal year is NT$15,634,777 thousand, the net profit for the period is NT$5,045,167 thousand, the total comprehensive income for the period is NT$4,307,546 thousand, and the earnings per share is NT$13.64.

(4) Research and development

A. R&D personnel and expenses in 2025

Unit: NT$ thousands

Item\Year		2025
R&D expenses	Operating revenues (A)	15,634,777
	R&D funding (B)	3,467,828
	Total number of employees (C)	712
	Total number of R&D personnel (D)	180
	R&D-to-revenue ratio (B/A)	22.18%
	R&D personnel ratio (D/C)	25.28%

B. The Company is a new drug developer in the biotechnology industry. We have continued to conduct R&D into innovative new drugs at both our Taiwan headquarters and United States locations, while also conducting clinical trials in multiple countries around the world, including in the United States, Taiwan, Japan, South Korea, and China. With the launch of Ropeg on the United States market at the end of 2021, the Company has seen a continued increase in sales in the United States and other global markets. Together with the increased contributions from our subsidiaries and partners around the world, our revenue has grown significantly, leading to a decrease in the proportion of R&D expenses to revenue.

C. Recent awards and R&D achievements

Year	Awards and R&D achievements
2023	➢ PharmaEssentia received the Asia Pacific Enterprise Awards under the category of the 2023 Excellent Enterprise Management Award for the biotech and pharmaceutical industry. ➢ PharmaEssentia received the Silver Award of the Asia-Pacific Sustainability Action Awards (APSAA) and the Bronze Award of the Taiwan Sustainability Action Awards (TSAA) by promoting the core of MPN Asia.

Year	Awards and R&D achievements
	➢ PharmaEssentia received the platinum award for the health care industry of the Taiwan Corporate Sustainability Awards and the bronze prize for Sustainability Reporting of the Global Corporate Sustainability Awards for Year 2023. ➢ PharmaEssentia received the Enterprise Team Award at the 25th Management of Technology Awards held by the Chinese Society for Management of Technology.
2024	➢ PharmaEssentia received the Taiwan BIO Awards Industrial Innovation of the Year 2024. ➢ Dr. Lin, Lih-Ling, Chief Scientific Officer of PharmaEssentia, was honored as one of the "Top 25 Chief Scientific Officers of 2024" by Women We Admire. ➢ PharmaEssentia received the Platinum Award for the health care industry of the Taiwan Corporate Sustainability Awards for Year 2024.
2025	➢ PharmaEssentia has been included in the S&P Global Sustainability Yearbook for two years in a row, and has also won the Most Improved Award for our industry. ➢ PharmaEssentia received the Gold Award in the Taiwan Corporate Sustainability Awards in 2025.

D. 2025 patent application outcomes

In order to enhance the Company's overall competitive advantages, protect the Company's intellectual property rights from infringement, and ensure sustainable corporate development, the Company has established a dedicated intellectual property unit to support our R&D operations. The unit is responsible for conducting freedom to operate (FTO) analyses when required, and make preparations for creating and applying for patents based on the Company's R&D results. The Company's intellectual property unit keeps the Board of Directors up to date on the annual intellectual property management plan each year, and also reports on how plans in the previous period had been implemented. The table below shows the patent application results for 2025. 1 patent was granted, 1 patent application has passed preliminary review, and 11 patents were disclosed early.

Application country/region	Patent application number	Patent application title	Patent application date	Application status	Initial date of application status	Early disclosure number/or patent number
United States	18/088,272	Dosage regimen for long-acting interferon	2015/11/6	Patent awarded	2025/7/1	12/343,381
Taiwan	113136864	Organizations and improvement methods for increasing drug production	2024/9/27	Initial approval	2025/11/18	202519644
PCT (Patent Cooperation Treaty)	PCT/US2025 /031468	Selective TREG stimulants and their usage	2025/5/29	Early disclosure	2025/12/11	2025254932
Europe	24871124.4	Organizations and improvement methods for increasing drug production	2024/10/16	Early disclosure	2025/9/3	4608986
United States	19/055,238	Unique PEGylation granulocyte colony-stimulating factor, its usage, and production method	2025/2/17	Early disclosure	2025/8/28	20250269045
Europe	25159291.1	Unique PEGylation granulocyte colony-stimulating factor, its usage, and production method	2025/2/21	Early disclosure	2025/8/27	4606389
Taiwan	113146526	Anti-PD-1 monoclonal antibody and its production method	2024/12/2	Early disclosure	2025/8/16	202532436
PCT	PCT/IB2024 /000811	Anti-PD-1 monoclonal antibody and its production method	2024/11/13	Early disclosure	2025/6/19	2025128263
PCT	PCT/US2024 /055652	Uses of anti-PD-1 monoclonal antibodies	2024/11/13	Early disclosure	2025/6/19	2025128264

Application country/region	Patent application number	Patent application title	Patent application date	Application status	Initial date of application status	Early disclosure number/or patent number
United States	19/059,904	PEGylation α interferon usage methods	2025/2/21	Early disclosure	2025/6/19	20250195616
United States	19/059,883	Dosage regimen for long-acting interferon	2025/2/21	Early disclosure	2025/6/12	20250186552
PCT	PCT/IB2024 /000500	Organizations and improvement methods for increasing drug production	2024/10/16	Early disclosure	2025/4/3	2025068764
United States	18/883,789	Organizations and improvement methods for increasing drug production	2024/9/12	Early disclosure	2025/3/27	20250101484

2. Summary of the 2026 Business Plan

Looking ahead to 2026, the Company will continue to build upon our existing foundation and continue expanding into and developing further markets for our core products. We will also make prudent plans for our future business and R&D operations, based on our progress with obtaining regulatory approvals and changes to the market environment. The following is a summary of the Company's 2026 Business Plan, which aims to outline the Company's main business development direction for the future to shareholders.

(1) Use of Ropeg on treating rare hematological diseases

➢ Ropeg as a polycythemia vera (PV) treatment

The Company has continued to make progress on commercially selling Ropeg globally as a treatment for PV. As of 2024, the Company has already signed a regional licensing agreement with Forus Therapeutics Inc. in Canada, an important step in our preparations for the North American market. We have completed and submitted an application in Canada for a PV drug license in 2025, and have continued making progress on the regulatory review process for the Canadian market. The Company will cooperate with the Canadian drug license approval process, and continue working with licensing partners to complete preparations for market launch.

Apart from the Canadian market, the Company will also continue to enhance the commercialization of our existing major markets. We will aim to strengthen integration between medical communication and sales implementation through establishing a consistent global medical messaging strategy, in order to expand market penetration and improve our overall market share.

- Ropeg as an essential thrombocythemia (ET) treatment

The primary trial objective of the Phase III clinical trials for Ropeg as a treatment for ET has been completed. Beginning in 2025, the Company has already applied for drug licenses in China, Taiwan, Japan, and the United States for the ET indication. In particular, the ET drug license application in the United States has already formally entered the substantive investigation stage on December 29, 2025. The United States FDA has also notified the Company that the investigation is scheduled to conclude on August 30, 2026 (the PDUFA date).

In 2026, the Company will focus on ET indication drugs as one of our key priorities. We will also continue cooperating with the regulatory reviews required for each country and actively respond to the requirements of the competent authorities, while also making preparations for launching ET indication drugs in our major markets, strengthening our handling of medical affairs and professional communication and gradually implementing our market access and commercialization plans.

- Use of Ropeg for early and prefibrotic myeloid fibrosis (Early/pre-MF)

The Company is currently proceeding according to schedule in recruiting for the global Phase III clinical trials of Ropeg as a treatment for pre-fibrotic/early primary myelofibrosis (PMF) or overt PMF at low or intermediate-1 risk according to DIPSS Plus (HOPE-PMF). This trial is a large-scale, global multi-national and multi-location Phase III clinical trial, and one of the Company’s most important myeloid fibrosis projects.

In 2026, the Company will continue recruiting for and conducting clinical trials following our existing plans, while ensuring that trials are managed pursuant to regulatory requirements. We hope to fully realize the treatment potential of Ropeg to benefit more MPN patients.

(2) Cancer

- Immune checkpoint inhibitors, anti-PD-1 antibodies:

PharmaEssentia’s Phase I clinical trial of sequential treatment of P1801, an anti-PD-1 inhibitor monoclonal antibody, following Ropeg in patients with advanced solid tumors has been approved in principle by the TFDA in 2024. Recruitment is about to commence. The subject recruitment for this trial will be conducted in two phases: the Dose Escalation Phase and the Dose Expansion Cohort. We expect to complete recruitment by 2027.

(3) Novel long-acting therapeutic protein drugs

PharmaEssentia will leverage its unique PEG and Site-Specific PEGylation patented technology platform, in combination with other cytokines, to continue developing more long-acting therapeutic protein drugs.

(4) T-cell receptor transgenic T-cell (TCR-T) therapy

Due to advancements in cell therapy technologies, cell therapies are increasingly becoming mainstream treatments for solid tumors, with TCR-T therapy garnering particular attention. TCR-T therapy involves modifying T-cell surface receptors to recognize specific antigens on cancer cells in combination with the major histocompatibility complex (MHC) on the cancer cell surface. This enables T-cell receptors to precisely identify and attack tumor cells.

The Company applied to the TFDA in 2024 for a Phase I clinical trial to treat patients with advanced solid tumors (TCRT-ESO-A2-TW). At the same time, we have invested into training talent with related skills, and made preparations for starting the clinical trial. We also built R&D laboratories and bases at the National Biotechnology Research Park in Nangang, establishing the site as an important base for cell therapy development and allowing the Company to gradually accumulate technological and clinical trial experience.

(5) Antibody-Drug Conjugate (ADC)

The Company has continued investing into the R&D of antibody-drug conjugates (ADCs), and have focused on the development of two different cytotoxic drugs as our main development direction. ADCs consist of monoclonal antibodies, linkers, and cytotoxic drugs. The monoclonal antibody is able to specifically recognize tumor cell surface antigens, and precisely deliver the cytotoxic drug into tumor cells for release, ensuring that the drug is both effective and safe.

At the moment, the Company has selected and confirmed the candidate antibody, and has continued working with external contract development and manufacturing organizations (CDMO). We expect to begin establishing a cell line in 2026, along with beginning process development and scaling-up operations for manufacturing non-GLP, GLP, and GMP antibodies. These serve as the key raw materials for producing ADCs and toxicology research. At the same time, the Company has also simultaneously made progress on plans to integrate our linker strategy with cytotoxic drugs, gradually establishing a complete ADC development framework. We expect to begin the investigational new drug (IND) enabling process by as early as 2026. The Company is also developing analysis methods for ADC development, and has established a laboratory in Taiwan for the organic synthesis and conjugation of highly effective cancer treatment drugs. Additionally, the Company has plans to collaborate with contract research organizations (CROs) to carry out small-scale manufacturing of linkers and cytotoxic drugs, as well as manufacture sample ADCs of different combinations to support our R&D and assessment operations, gradually strengthening our overall ADC R&D and manufacturing capabilities.

(6) Expected quantity of sales and its basis

The estimated revenue for new drugs is based on several reasonable assumptions, including the estimated total number of patients, number of syringes required for treatment, and overall drug prices in the sales region. The estimated number of patients is based on various factors, including the population growth rate according to published official statistics, disease prevalence rate according to the statistics reported by professional hematological disease research institutions, diagnostic rate or cure rate according to the statistics compiled by professional cancer research institutions, and the conservative market share (market penetration rate) estimated by international market research agencies commissioned by PharmaEssentia. The number of syringes required for treatment is estimated on the basis of the administration rate or medical compliance of patients in a country. Drug prices in the regions where the drug is to be sold are estimated through an overall assessment of different factors, including the price range of similar drugs internationally, and the drug pricing models and annual drug price variation patterns in each country.

(7) Key marketing and sales policies

- The Company has actively expanded into global markets, and made full use of available resources to understand local regulations and medical needs. We have continued working on drug license applications and government national healthcare reimbursements, in order to improve the market access and drug availability for our products
- In order to strengthen our drug production process and quality control, PharmaEssentia has adopted the highest standard operating procedures, quality management systems, and product traceability system. We adhere to the PIC/S GDP (Good Distribution Practice for Pharmaceuticals), ensuring proper management of medicines during transportation to preserve their quality and safety, safeguarding patients' medication safety worldwide.
- We have established and provided globally consistent medical messaging, ensuring all medical communication, academic exchanges, and sales activities in each of our markets around the world are based on the same consistent set of reviewed scientific evidence and clinical trial data. This allows medical professionals to better understand the effectiveness and safety of our products, and reduces compliance risk.
- PharmaEssentia continues to facilitate plans designed to support patients and offer them all-around, integrated programs through efforts such as health education,

financial and medical support, and academic exchanges. We assist patients in receiving treatment and applying for insurance to alleviate their medication burden.

3. Future Development Strategy

(1) Business Operation Planning

The Company and our subsidiaries will continue to steadily diversify product lines, and gradually expand the use of our existing products by expanding into other related indications and disease treatments, in order to address currently unmet medical needs. The Company will also continue investing into R&D resources and strengthening our core technological platform and R&D capabilities. We will carefully evaluate our strategic collaborations, licensing agreements, and other external collaboration strategies based on our R&D strategy and market demand, in order to accelerate R&D processes and improve overall operational flexibility.

(2) Marketing Planning

In 2025, the Company expanded and enhanced the structure of our sales teams in order to further develop our presence in markets and distribution channels around the world. By improving our ability to implement sales strategies in major markets in line with the characteristics of each market region, the Company is able to optimize our market development strategy. As part of implementing our sales strategy, the Company will continue to strengthen and provide globally consistent medical messaging, and utilize digital marketing tools and data analysis to obtain better market insights and communicate with greater precision, allowing us to more effectively utilize our marketing resources. In addition, the Company's comprehensive patient support programs actively assist patients in accessing medication and applying for insurance subsidies, improving the accessibility of medicines. We have also continued providing patients with guidance on administering medication and medical treatment support, helping patients receive stable medical treatment and improving the overall treatment experience.

4. Impact of external competition, legal, and overall business environments

Challenges and opportunities in new drug development

Although developing new drugs is both time-consuming and faces a low rate of success, and products also have to face competition after being launched onto the market, the Company has focused on developing new drugs for rare diseases, meaning that our products face less competition for the diseases that they treat. Additionally, since many developed countries also prioritize the development of orphan drugs by providing policy support for these drugs in the form of regulations, review procedures, and market exclusivity, the Company's main product Ropeg faces favorable market development conditions in major markets such as the United States and Europe.

R&D and potential for market growth

With rapid advancements in biotechnology, pharmaceutical and biotechnology companies around the world have continued investing into the R&D of innovative new treatment methods, leading to increasing to increasingly fierce R&D competition. The Company has adopted a multi-indication R&D strategy, establishing an R&D pipeline which includes hematological diseases and cancer treatment. This diverse development potential helps to mitigate the risk from being overly reliant on a single product or indication.

Our R&D and business team possess rich practical experience working in international pharmaceutical companies, and are capable of continuously monitoring the R&D activities of our competitors, clinical trial progress, and market trends. They are able to establish forward-looking R&D plans, clinical trials, and marketing strategies in compliance with regulatory requirements, allowing the Company to maintain competitive advantages in related therapeutic areas.

Overall business environment and geopolitical factors

In recent years, the global economic environment has continued to be affected by uncertain factors, including policy adjustments, exchange rate fluctuations, and geopolitical changes. These factors may all affect supply chain stability, operating costs, and market demand. Since the Company is a multinational biotechnology and pharmaceutical company, changes in the regulations, business environments, and medical reimbursement systems of countries around the world can all potentially affect product launch schedules and market expansion.

The Company will continue monitoring changes in the global political and economic environment, and aim to reduce the risk of being reliant on a single market or region through adopting a diversified market strategy, managing supply chains, and making flexible adjustments to our operating activities. The Company will steadily implement our established R&D and commercialization strategy after prudently assessing the potential risks.

I would like to once again thank all shareholders for their long-term support and trust. The Company will remain committed to upholding innovative science and forward-thinking strategic planning. We will continue to advance medicine R&D and market expansion, providing patients around the world with a greater range of treatment options while generating long-term and stable corporate value for our shareholders.

We would like to wish all our shareholders good health and the best of luck.

Chairman:	Chief Executive Officer:	Manager:
Ching-Leou Teng	Ko-Chung Lin	ChanKou Hwang

II. Corporate Governance Report

1. Directors, Supervisors, General Manager, Assistant General Managers, Deputy Assistant General Managers, and Heads of Divisions and Branches

(1) Director

March 30, 2026; Shares; %

Title	Nationality or Place of Registration	Name	Gender/ Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chairperson	Republic of China	Teng, Ching-Leou	Female 71~80	2024.5.27	3 years	2012.9.24	3,183,046	0.93	3,996,411	1.05	221,946	0.06	-	-	• PhD, UM College of Pharmacy, University of Michigan • Postdoctoral research at the University of Michigan • New Drug Evaluator, US Food and Drug Administration (FDA) • Assistant Director of ISIS Pharmaceutical, Inc., US	• Chief Pharmaceutical Officer and Chairperson of PharmaEssentia Corporation • Representative of juristic-person director PharmaEssentia Asia (Hong Kong) Limited • Representative of juristic-person director PharmaEssentia (Hong Kong) Ltd. • Director of PharmaEssentia Japan KK • Chairperson of PharmaEssentia USA Corporation • Director of PharmaEssentia Korea Corporation • Chairperson of Panco Healthcare Co., Ltd. • Chairperson of PharmaEssentia Innovation Research Center, Inc. • Representative of juristic-person director PharmaEssentia Global Ltd. • Chairperson of PharmaEssentia Puerto Rico LLC • Representative of juristic-person director PharmaEssentia Netherlands B.V. • Chairperson of PharmaEssentia Americas LLC	-	-	-
Director	Republic of China	Lin, Ko-Chung	Male 71~80	2024.5.27	3 years	2000.4.28	4,063,964	1.19	5,170,647	1.36	1,442,650	0.38	-	-	• PhD, Department of Chemistry, University of Missouri • PhD, Research on Anti-cancer Drug Innovation, the University of Michigan • Leader and Program Host, Innovative Drug R&D Department, Biogen Inc., USA • Research Expert in the Innovative Drug Development, New Technology Innovation Center, Monsanto-Searle Group Headquarters, USA	• Director and CEO, PharmaEssentia Corporation • Director and CEO, concurrent General Manager, of PharmaEssentia USA Corporation • Chairman, PharmaEssentia Japan KK • Executive Director, PharmaEssentia Biotechnology (Beijing) Co., Ltd. • Chairperson, PharmaEssentia Korea Corporation • Director, PharmaEssentia Singapore Pte Ltd. • Director, Panco Healthcare Co., Ltd. • Director, PharmaEssentia Innovation Research Center, Inc.	-	-	-

Title	Nationality or Place of Registration	Name	Gender/ Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
																• Director of PharmaEssentia Puerto Rico LLC • Directors of PharmaEssentia Americas LLC			
Director	Republic of China	Representative: Hsu, Hsueh-Fang	Female 51~60	2024.5.27	3 years	2021.8.5	-	-	-	-	-	-	-	-	• Master, Harvard Law School • Senior Counselor, Lee and Li, Attorneys-at-Law	• Director and Legal Representative, Shanghai Jinjing Investment Management Consulting Co., Ltd. • Director and Legal Representative, Shanghai Chengxun Investment Management Co., Ltd. • Director and Legal Representative, Shanghai Yiyi Enterprise Management Consulting Co., Ltd. • Director and Legal Representative, Shanghai Hanyi Enterprise Management Consulting Co., Ltd. • Director and Legal Representative, Hainan Jinjing Venture Capital Co., Ltd.	-	-	-
		Eon Capital investment account, entrusted to Yuanta Commercial Bank					6,210,022	1.82	6,220,453	1.64	-	-	-	-					
Director	Republic of China	Representative: Hsiao, Chen-Jung	Male 51~60	2024.5.27	3 years	2003.10.24	-	-	-	-	-	-	-	-	• Master, Department of Engineering Science and Ocean Engineering (formerly Department of Naval Architecture), National Taiwan University • Chief of Staff, Office of Trade Negotiations, Executive Yuan • Deputy Director-General, Head of the Industrial Policy and Electronic Information Divisions, and Senior Technical Specialist of the Sustainability Development Division of Industrial Development Bureau, Ministry of Economic Affairs • Section Chief, Department of Technology, Ministry of Economic Affairs • Counselor, National Development Council	• Director, Department of Industrial Development, National Development Council • Director, Chunghwa Post Co., Ltd.	-	-	-
		Management Committee, National Development Fund, Executive Yuan					22,066,296	6.47	23,868,421	6.28	-	-	-	-			-	-	-
Director	Republic of China	Hwang, Chan-Kou	Male 71~80	2024.5.27	3 years	2015.5.29	1,710,073	0.50	2,370,180	0.62	289,620	0.08	-	-	• PhD, Organic Chemistry, University of Pennsylvania • Researcher, Amgen Inc., USA • Team Leader, Array BioPharma Inc., USA • Director, Optimer Pharmaceuticals, Inc., USA	• Director and General Manager, Chief Information Security Officer of PharmaEssentia Corporation, and Representative of Taichung Branch • Supervisor, PharmaEssentia Biotechnology (Beijing) Co., Ltd. • Director, Panco Healthcare • Director of PharmaEssentia Japan KK	-	-	-

Title	Nationality or Place of Registration	Name	Gender/ Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
																• Director of PharmaEssentia Asia (Hong Kong) Limited • Director of PharmaEssentia Puerto Rico LLC • Director of PharmaEssentia Americas LLC			
Director	Republic of China	Chang, Jinn-Der	Male 71~80	2024.5.27	3 years	2014.3.27	95,534	0.03	130,431	0.03	-	-	-	-	• PhD in Accounting, International American University • Doctor of Law, National Chung Cheng University • Auditor, Audit Division, Ministry of Finance • First Chairman of the CPA Associations R.O.C. • Committee Member, Taiwan Provincial Government Appeal Committee • Committee Member, Appeals Committee of the Financial Supervisory Commission • Head of the Department of Accounting, Chinese Culture University • Lecturer and Associate Professor, Department of Business Administration, Soochow University • Adjunct Associate Professor, Institute of Business Administration, Taipei University • Dean and Chair Professor, School of Management, Chaoyang University of Technology • Adjunct Associate Professor, Pang Jia Institute of Finance and Taxation • Joint Chair Professor, Department of Accounting and Information Systems and Department of Financial and Economic Law, Asia University • Adjunct Professor, Department of Law, National Chung Hsing University • President, Asia Pacific Corporate Law Society	• Director, Crown & Co., CPAs • Arbitrator and Consultant, Chinese Arbitration Association, Taipei • Chairman, Corporate University Cultural and Educational Foundation • Director, Chung Cheng University Academic Foundation • Independent Director, Hua Eng Wire & Cable • Independent Director, Jukao Engineering Corp • Director, Concord Securities Co., Ltd. • Director, Crown Global Business Consulting Ltd. • Director, Crown Investments Limited	-	-	-

Title	Nationality or Place of Registration	Name	Gender/ Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director	Republic of China	Lee, Shen-Yi	Male 81~90	2024.5.27	3 years	2021.8.5	818,242	0.24	838,590	0.22	5,791	0.00	-	-	• Doctor of Law, Zhong Shan Academic Research Institute, Chinese Culture University • Bachelor of Law, National Taiwan University • Section Assistant, Ministry of Economic Affairs • Auditor, Ministry of Finance • Lawyer • Member of Committee on Prohibited Entry, Ministry of Interior • Committee Member, Political Party Review Committee, Executive Yuan • Chairman, Consumers' Foundation, Chinese Taipei • Committee Member, Fair Trade Commission, Executive Yuan • The 2nd Supervisory Committee Member/The 3rd Supervisory Committee Member • Member of Laws and Regulations Committee, Examination Yuan • Director, Nan Ya Plastics • Director, China Airlines • Independent Director, China Steel Corporation • Independent Director, WIN Semiconductors Corp. • Director, East Tender Optoelectronics Corp. • Adjunct Associate Professor, National Chengchi University • Adjunct Associate Professor, Chinese Culture University	• Supervisor, Chinese Culture University • National Policy Advisor • Independent Director, Capital Securities Corp. • Director, Dharma Drum Humanities and Social Improvement Foundation • Vice Chairman, Taiwan New Economy Foundation • Supervisor, RobotLipo Co., Ltd.	-	-	-
Independent Director	Republic of China	Tien, Jien-Heh	Male 71~80	2024.5.27	3 years	2018.6.25	2,000	0.00	2,019	0.00	-	-	-	-	• PhD, Organic Chemistry in Synthesis, University of Massachusetts • Abbott Laboratories Section Manager • Theravance, Inc. Associate Director	• Senior Vice president of XW Pharma • Consultant, SCI Pharmtech Inc. • Consultant, Corum Biotech Inc.	-	-	-

Title	Nationality or Place of Registration	Name	Gender/ Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
															• Senior Director, ARYx Therapeutics Inc., USA • Chairman, Sunny Pharmaceutical Technology Co., Ltd. • Chief Scientific Officer, Xiangyi Pharmaceutical Company				
Independent Director	Republic of China	Hsieh, Ming-Chuan	Female 61~70	2024.5.27	3 years	2024.5.27	6,000	0.00	4,000	0.00	-	-	-	-	• Master, Department of Medical Management, China Medical University • Supervisor, HanTech Venture Capital Corporation • Director, Harbinger VI Venture Capital Corp. • Director, Harbinger VII Venture Capital Corp. • Supervisor, UBI Pharma Inc. • Executive Supervisor, Taiwan Health & Wellness Counseling Association • Auditing Committee Member, Chia Nan University of Pharmacy and Science	• Director and Investment Committee Member, ScinoPharm Taiwan, Ltd. • Independent Director, Uni Pharma Co., Ltd. • Supervisor, CDIB Biomedical Venture Capital Co. Ltd. • Supervisor, Harbinger VIII Venture Capital Corp. • Supervisor, Harbinger IX Venture Capital Corp.	-	-	-
Independent Director	Republic of China	Liu, Ching-Tsun	Male 71~80	2024.5.27	3 years	2024.5.27	272,915	0.08	293,862	0.08	140,935	0.04	-	-	• Master of Business Administration, University of San Francisco • Department of Business Administration, National Taipei University • Clerk, First Bank • Branch Head, Tax Auditing Division, Taxation Administration, Ministry of Finance • Deputy Section Chief of the First Division, Securities Regulatory Commission, Ministry of Finance • Chairperson and General Manager, Hongtai Securities • Director, Yanfu Venture Capital • Executive Director, Taipei Securities Association • Director and Supervisor, Taipei Exchange	• Director, Capital Securities Corp. • Director, Capital Futures Corp. • Director, Taiwan Oasis Technology Co., Ltd.	-	-	-

Title	Nationality or Place of Registration	Name	Gender/ Age	Date Elected/ Appointed	Term	Date First Elected	Shares Held When Elected		Current Shares Held		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Concurrent Positions in PharmaEssentia and Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Head of Department, Director, or Supervisor		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
															• Executive Director and Supervisor, Taiwan Securities Association • Chairperson, Capital Securities Corp. • Director, Capital Futures Corp.				
Independent Director	United States	Jeffrey R. Williams	Male 71~80	2024.5.27	3 years	2024.5.27	-	-	-	-	-	-	-	-	• Harvard Business School, MBA • Harvard University, AB, magna cum laude, East Asian Languages and Civilizations (Chinese) • Harvard Kennedy School, Senior Research Fellow, Ash Center for Governance and Innovation • Harvard Kennedy School, NA, Senior Fellow, Center for Business and Government • China Universal Asset Management, Independent Director • Shanghai F-Road Commercial Services Co., Ltd., Director • Harvard University, Executive Director, Harvard Center Shanghai • Yucheng Technologies Limited, Independent Director • Shenzhen Development Bank, President • Standard Chartered Bank (Taiwan), CEO • American Express, Vice President and General Manager-Travel Related Services and Consumer Financial Services (Taiwan) • Taipei American School, Chairman • Citibank Shenzhen, Branch Manager • Citibank Hong Kong, Vice President, Customer Services • Citibank Taiwan, Credit Department Head • UBS Optimus Foundation, Director	• Independent Director, PharmaEssentia USA Corporation • Director, UBS SDIC Fund Management Company Limited • Director, UBS Asset Management (China) Limited • Trustee, China Medical Board • Council Member, Asian Corporate Governance Association • Trustee, Carleton_Willard Village Homes, Inc • Director, Koo Foundation Cancer Center Hospital	-	-	-

(2) Major Shareholders of Institutional Shareholders

March 30, 2026

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders
Management Committee, National Development Fund, Executive Yuan	In accordance with Article 29 of the Statute for Industrial Innovation, the Executive Yuan establishes the National Development Fund and a Management Committee that organizes matters related to fund collection and payment, safekeeping, and use. The Management Committee shall comprise 11 to 13 members, all of whom shall be appointed (employed) by the Executive Yuan.
EON Capital Group Limited	Millegrove Enterprise Group Limited (100%)

(3) Major Shareholders of Major Institutional Shareholders

March 30, 2026

Name of Institution	Major Shareholder of Institution
Millegrove Enterprise Group Limited	Langford Asset Holdings Ltd (100%)

(4) Directors' Professional Qualifications, Independence of Independent Directors, and Board Diversity Policy

A. Directors' professional qualifications and independence of independent directors

<table>
<tr><th>Criteria
Name</th><th>Professional Qualifications and Experience</th><th>Independence of Independent Directors</th><th>Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director</th></tr>
<tr><td>Teng, Ching-Leou, Chairperson</td><td rowspan="11">Please refer to pages 12-16 of this Annual Report.

None of the directors are subject to any of the circumstances stated in Article 30 of the Company Act.</td><td rowspan="7">N/A.</td><td>0</td></tr>
<tr><td>Lin, Ko-Chung, Director</td><td>0</td></tr>
<tr><td>Hsu, Hsueh-Fang, Director</td><td>0</td></tr>
<tr><td>Chang, Jinn-Der, Director</td><td>2</td></tr>
<tr><td>Hsiao, Chen-Jung, Director</td><td>0</td></tr>
<tr><td>Hwang, Chan-Kou, Director</td><td>0</td></tr>
<tr><td>Lee, Shen-Yi, Director</td><td>1</td></tr>
<tr><td>Tien, Jien-Heh, Independent Director</td><td rowspan="4">All of the following conditions apply to each Independent Director:
1. They meet the requirements of Article 14-2 of the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies released by the Financial Supervisory Commission.
2. They have not received any compensation or benefits for providing services, including commercial, legal, financial, or accounting services, to the Company or any of its affiliated companies within the past two years.</td><td>0</td></tr>
<tr><td>Hsieh, Ming-Chuan, Independent Director</td><td>1</td></tr>
<tr><td>Liu, Ching-Tsun, Independent Director</td><td>0</td></tr>
<tr><td>Jeffrey R. Williams, Independent Director</td><td>0</td></tr>
</table>

B. Board diversity policy

To strengthen corporate governance and promote sound development in the composition and structure of the Board, the “Diversity of Board Members” policy outlined in Article 20, Paragraph 2 of the Corporate Governance Best Practice Principles states the following: The composition of the Board should take into account the company’s business scale, development needs, and the shareholding structure of major shareholders. The number of Board members should be set appropriately after considering the company’s operational realities. Furthermore, the Board should incorporate various aspects of diversity, including: basic requirements and values (such as: gender, age, nationality, culture), and professional experience and skills (such as in: law, accounting, industry, finance, marketing, technology).

i. Specific management goals

The Company’s Board is responsible for providing guidance on corporate strategies, overseeing management, and being accountable to the Company and its shareholders. The Board must set clear objectives, directions, and policies. It must ensure that its operations comply with relevant laws and regulations.

To meet the needs of the Company’s business development, the Board should consist of experts and scholars with professional backgrounds in fields such as industry, finance, and management. Board members should possess diverse professional skills, including the ability to make sound business judgments, the ability to manage a business, financial accounting, a global perspective on international markets, and knowledge of the biotechnology industry. In addition, the Company places significant importance on gender equality, requiring that at least one female must serve on the Board.

ii. Current status of implementing board member diversity

The Company currently has 11 directors, including 7 directors and 4 independent directors. All members bring extensive experience and expertise across the biotechnology industry, financial industry, and education industry, possessing the knowledge, skills, and qualities necessary to fulfill their responsibilities. There are three directors on the Board who also serve as employees. Among the four independent directors, one has served for seven years. The independent directors bring extensive experience from industry, government, and academia, along with outstanding expertise in global biotechnology production and manufacturing. They will continue to leverage their professional knowledge to provide oversight and advice to the Board. The ages of the Board members range from 50 to 90 years old. The implementation of the Company's Board Diversity Policy is shown in the following table:

Core Diversity Criteria	**Basic Requirements and Values**					**Professional Knowledge and Skills**	**Abilities**							
	Nationality	Gender	Also an Employee of the Company	Age	Tenure of Independent Directors		Making sound business judgments	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	A global perspective on international markets	Leadership	Decision-making
Teng, Ching-Leou	Republic of China	Female	✓	71~80		Biotechnology industry	✓		✓	✓	✓	✓	✓	✓
Lin, Ko-Chung	Republic of China	Male	✓	71~80		Biotechnology industry	✓		✓	✓	✓	✓	✓	✓
Hsu, Hsueh-Fang	Republic of China	Female		51~60		Law	✓		✓	✓		✓	✓	✓
Chang, Jinn-Der	Republic of China	Male		71~80		Accounting and law	✓	✓	✓	✓		✓	✓	✓
Hsiao, Chen-Jung	Republic of China	Male		51~60		National policies	✓		✓	✓		✓	✓	✓
Hwang, Chan-Kou	Republic of China	Male	✓	71~80		Biotechnology industry	✓		✓	✓	✓	✓	✓	✓
Lee, Shen-Yi	Republic of China	Male		81~90		Law	✓		✓	✓		✓	✓	✓
Tien, Jien-Heh	Republic of China	Male		71~80	8	Biotechnology industry	✓		✓	✓	✓	✓	✓	✓
Hsieh, Ming-Chuan	Republic of China	Female		61~70	2	Education industry	✓		✓	✓		✓	✓	✓
Liu, Ching-Tsun	Republic of China	Male		71~80	2	Finance	✓	✓	✓	✓		✓	✓	✓
Jeffrey R. Williams	United States	Male		71~80	2	Finance	✓	✓	✓	✓		✓	✓	✓

iii. The Company's Board consists of 8 male directors and 3 female directors, with female directors accounting for 27% of all Board members. To promote gender equality, the Company will take the following measures:

- Ensuring female representation on the Board: To achieve gender equality, the Company will, based on the needs of the Board, actively seek, elect, and appoint female directors with the necessary professional knowledge and management experience through external channels such as professional recruitment agencies and director talent databases. The Company will ensure the entire process is open and transparent, with selection based primarily on candidates' professional abilities and experience, while prioritizing female candidates. The Company will also consider establishing an internal director election mechanism to periodically evaluate female managerial members within the Company who possess extensive experience, professional abilities, and management expertise. The Company will provide them with professional training and development opportunities to ensure they acquire the knowledge and skills required to serve on the Board.
- Prioritizing professional female representatives appointed by legal entities: When a legal entity selects a representative to act on its behalf as a director, the Company emphasizes the importance of gender equality and its impact on corporate governance. Gender equality will be a core consideration in the selection process. By prioritizing female representatives with professional backgrounds when a legal entity selects its representative, the Company aims to further improve gender equality on the Board.
- Periodic review of Board composition: The Company will periodically review the gender balance of its Board members and disclose relevant information based on actual circumstances, ensuring that the goal of gender equality remains a priority and is always supported. In addition to gender equality considerations, the Company will also periodically evaluate the Board's composition in terms of professional skills to ensure that promoting gender balance does not compromise the professional abilities of the Board.

iv. The Company's Board diversity, complementarity, and implementation status align with the criteria outlined in Article 20 of the Corporate Governance Best Practice Principles. In view of the continuous changes in the company's operations and market environment, the Company, based on the Board's functioning, operating patterns, and future development needs, will continue to update the Board diversity policy as necessary. The goal is to ensure that the composition of the Board meets future development needs and that Board members possess the professional knowledge, skills, and qualities required to perform their responsibilities.

(5) General Manager, Assistant General Managers, Deputy Assistant General Managers, and Heads of the Company's Divisions and Branch Units

March 30, 2026; Shares; %

Title	Nationality	Name	Gender	Date of Appointment	Shareholding		Shares Held by Spouse or Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Positions at Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Managerial Officer		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chief Executive Officer	Republic of China	Lin, Ko-Chung	Male	2017.1.1	5,170,647	1.36	1,442,650	0.38	-	-	• PhD, Department of Chemistry, University of Missouri • PhD, Research on Anti-cancer Drug Innovation, the University of Michigan • Leader and Program Host, Innovative Drug R&D Department, Biogen Inc., USA • Research Expert in the Innovative Drug Development, New Technology Innovation Center, Monsanto-Searle Group Headquarters, USA	• Director and CEO, PharmaEssentia Corporation • Director and CEO, concurrent General Manager, of PharmaEssentia USA Corporation • Chairman, PharmaEssentia Japan KK • Executive Director, PharmaEssentia Biotechnology (Beijing) Co., Ltd. • Chairperson, PharmaEssentia Korea Corporation • Director, PharmaEssentia Singapore Pte Ltd. • Director, Panco Healthcare Co., Ltd. • Director, PharmaEssentia Innovation Research Center, Inc. • Director of PharmaEssentia Puerto Rico LLC • Director of PharmaEssentia Americas LLC	-	-	-
General Manager	Republic of China	Hwang, Chan-Kou	Male	2015.6.25	2,370,180	0.62	289,620	0.08	-	-	• PhD, Organic Chemistry, University of Pennsylvania • Researcher, Amgen Inc., USA • Team Leader, Array BioPharma Inc., USA • Director, Optimer Pharmaceuticals, Inc., USA	• Director and General Manager, Chief Information Security Officer of PharmaEssentia Corporation, and Representative of Taichung Branch • Supervisor, PharmaEssentia Biotechnology (Beijing) Co., Ltd. • Director, Panco Healthcare • Director of PharmaEssentia Japan KK • Director of PharmaEssentia Asia (Hong Kong) Limited • Director of PharmaEssentia Puerto Rico LLC • Director of PharmaEssentia Americas LLC	-	-	-
Chief Pharmaceutical Officer	Republic of China	Teng, Ching-Leou	Female	2015.6.25	3,996,411	1.05	221,946	0.06	-	-	• PhD, UM College of Pharmacy, University of Michigan • Postdoctoral research at the University of Michigan • New Drug Evaluator, US Food and Drug Administration (FDA) • Assistant Director of ISIS Pharmaceutical, Inc., US	• Chief Pharmaceutical Officer and Chairperson of PharmaEssentia Corporation • Representative of juristic-person director PharmaEssentia Asia (Hong Kong) Limited • Representative of juristic-person director PharmaEssentia (Hong Kong) Ltd. • Director of PharmaEssentia Japan KK • Chairperson of PharmaEssentia USA Corporation	-	-	-

Title	Nationality	Name	Gender	Date of Appointment	Shareholding		Shares Held by Spouse or Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Positions at Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Managerial Officer		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
												• Director of PharmaEssentia Korea Corporation • Chairperson of Panco Healthcare Co., Ltd. • Chairperson of PharmaEssentia Innovation Research Center, Inc. • Representative of juristic-person director PharmaEssentia Global Ltd. • Chairperson of PharmaEssentia Puerto Rico LLC • Representative of juristic-person director PharmaEssentia Netherlands B.V. • Chairperson of PharmaEssentia Americas LLC			
Chief Medical Officer	United States	Albert Qin	Male	2017.1.13	85,203	0.02	-	-	-	-	• PhD in Biomedical Sciences, Harvard Medical School • Former senior scientist, clinical deputy director-general, clinical director, chief scientific officer, and executive director at international leading pharmaceutical companies • Chief Scientific Officer, SymBio Pharmaceuticals, Tokyo, Japan • Medical Director, ImmunoGen, USA • Associate Director, Pfizer, USA • Pharmacologist, Bayer Pharmaceuticals, USA • Biologist, Biogen, USA	• Chief Medical Officer, PharmaEssentia	-	-	-
Chief Scientific Officer	Republic of China	Lin, Lih-Ling	Female	2022.8.11	170,883	0.04	-	-	-	-	• Bachelor and Master, National Taiwan University • PhD, University of Arizona • Pfizer Inc. Head of Innate Immunity • Sanofi Head of Checkpoint Immunology Cluster Immunology & Inflammation (I&I)	• Chief Scientific Officer, PharmaEssentia • Director, PharmaEssentia Innovation Research Center, Inc. • Director of PharmaEssentia USA Corporation • Director, AcadeMab Biomedical Inc.	-	-	-
Assitant General Manager of Finance, Accounting, Procurement, and Administration	Republic of China	Snow Chang	Female	2015.10.14	122,658	0.03	-	-	-	-	• M.A. Accounting, Soochow University • Senior Manager, KGI Securities • Senior Manager, Settlement Department, Grand Cathay Securities Corporation • Manager, Underwriting Department, Jingying Securities	• Assistant General Manager of Finance and Accounting, Procurement, and Administration, PharmaEssentia • Director of PharmaEssentia Japan KK • Supervisor of PharmaEssentia Korea Corporation	-	-	-

Title	Nationality	Name	Gender	Date of Appointment	Shareholding		Shares Held by Spouse or Minor Children		Shares Held Under Others' Names		Key Academic/Work Experience	Positions at Other Companies	Spouse of, or Related Within the Second Degree of Kinship to, Any Managerial Officer		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chief Legal Officer	Republic of China	Chen, Hsin-Yi	Female	2025.5.9	10,922	0.00	-	-	-	-	• LL.M Medical Law, University of Washington in Seattle • LL.M, Case Western Reserve University • Bachelor of Law, Tunghai University • Trainee attorney and attorney at Han Ding International Law Firm • Attorney at Li Yong Law Firm • Associate of K&L Gates • Senior Attorney, Sunshine Attorneys-at-Law • General Legal Department, Hon Hai Technology Group (Foxconn), Dedicated counsel for YongLin Foundation Legal Director, Foxconn Health Technology Business Group	• Chief Legal Officer, PharmaEssentia • Supervisor, PharmaEssentia Japan KK • Independent Director, Elixiron Immunotherapies (Cayman) Limited	-	-	-

2. Remuneration of Directors, Supervisors, General Manager, and Assistant General Manager in the Most Recent Year

(1) Remuneration of Directors (Including Independent Directors)

Unit: NT$ thousands; thousand shares

Title	Name	Directors' Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income After Tax (%)		Remuneration of Directors Who are Also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income After Tax (%)		Remuneration Received from an Invested Company Other than Subsidiaries
		Fixed Pay (A)		Severance Pay and Pension (B)		Directors' Profit-Based Rewards (C) (Note 3)		Business Expenses (D) (Note 2)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pension (F)		Employees' Profit-Based Rewards (G)						
		From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia		From All Consolidated Entities		From PharmaEssentia	From All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairperson	Teng, Ching-Leou	500	500	-	-	3,600	3,600	105	105	0.08	0.08	16,930	16,930	-	-	5,130	-	5,130	-	0.52	0.52	None
Director	Lin, Ko-Chung	500	500	-	-	3,600	3,600	105	105	0.08	0.08	16,930	16,930	228	228	4,630	-	4,630	-	0.52	0.52	None
Director	EON Capital Group Limited Representative: Hsu, Hsueh-Fang	500	500	-	-	3,600	3,600	136	136	0.08	0.08	-	-	-	-	-	-	-	-	0.08	0.08	None
Director	Chang, Jinn-Der	500	500	-	-	3,600	3,600	105	105	0.08	0.08	-	-	-	-	-	-	-	-	0.08	0.08	None
Director	Management Committee, National Development Fund, Executive Yuan Representative: Hsiao, Chen-Jun	500	500	-	-	3,600	3,600	105	105	0.08	0.08	-	-	-	-	-	-	-	-	0.08	0.08	None
Director	Hwang, Chan-Kou	500	500	-	-	3,600	3,600	105	105	0.08	0.08	15,530	15,530	-	-	4,130	-	4,130	-	0.47	0.47	None
Director	Lee, Shen-Yi	500	500	-	-	3,600	3,600	105	105	0.08	0.08	-	-	-	-	-	-	-	-	0.08	0.08	None
Independent Director	Hsieh, Ming-Chuan	1,500	1,500	-	-	3,600	3,600	277	277	0.11	0.11	-	-	-	-	-	-	-	-	0.11	0.11	None
Independent Director	Tien, Jien-Heh	1,800	1,800	-	-	3,600	3,600	284	284	0.11	0.11	-	-	-	-	-	-	-	-	0.11	0.11	None
Independent Director	Liu, Ching-Tsun	1,500	1,500	-	-	3,600	3,600	270	270	0.11	0.11	-	-	-	-	-	-	-	-	0.11	0.11	None
Independent Director	Jeffrey R. Williams	5,643	5,643	-	-	3,600	3,600	550	550	0.19	0.19	-	-	-	-	-	-	-	-	0.19	0.19	None

Note 1: The remuneration provided to all directors (including independent directors) is determined through a discussion and review by the Board of Directors, based on the Policy on Remuneration for Directors, Functional Committee Members, and Managerial Officers passed by the Board of Directors, their level of participation and contribution to the Company's operations, and taking into consideration the industry-standard level of remuneration provided by other companies in the same industry both domestically and abroad.

Note 2: The income from professional practice is determined based on the number of times that a director attends a Board of Directors meeting. Travel expenses incurred for attending Board of Directors meetings are reimbursed according to the actual expenses incurred.

Note 3: This amount is the directors' profit-based rewards for the most recent year approved by the Board of Directors. Directors' profit-based rewards for the most recent fiscal year (2025) was approved by a Board of Directors resolution on March 2, 2026, and will be submitted to the shareholders' meeting on May 28, 2026.

Note 4: Except as disclosed above, remuneration provided to any director for services (such as serving as a non-employed consultant) to any company listed in the financial report for the most recent fiscal year: Director Chang, Jinn-Der, NT$1,500 thousands.

Director Remuneration Bracket

Remuneration Brackets	Name			
	Total Remuneration from (A+B+C+D)		Total Remuneration from (A+B+C+D+E+F+G)	
	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities
Less than NT$1,000,000	None	None	None	None
NT$1,000,000 to less than NT$2,000,000	None	None	None	None
NT$2,000,000 to less than NT$3,500,000	None	None	None	None
NT$3,500,000 to less than NT$5,000,000	Hsu, Hsueh-Fang, Chang, Jinn-Der, Hsiao, Chen-Jung, Lee, Shen-Yi, Chan, Ching-Liu, Lin, Kuo-Chung, Huang, Cheng-Ku	Hsu, Hsueh-Fang, Chang, Jinn-Der, Hsiao, Chen-Jung, Lee, Shen-Yi, Chan, Ching-Liu, Lin, Kuo-Chung, Huang, Cheng-Ku	Hsu, Hsueh-Fang, Chang, Jinn-Der, Hsiao, Chen-Jung, Lee, Shen-Yi	Hsu, Hsueh-Fang, Chang, Jinn-Der, Hsiao, Chen-Jung, Lee, Shen-Yi
NT$5,000,000 to less than NT$10,000,000	Hsieh, Ming-Chuan, Liu, Ching-Tsun, Tien, Jien-Heh, Jeffrey R. Williams	Hsieh, Ming-Chuan, Liu, Ching-Tsun, Tien, Jien-Heh, Jeffrey R. Williams	Hsieh, Ming-Chuan, Liu, Ching-Tsun, Tien, Jien-Heh, Jeffrey R. Williams	Hsieh, Ming-Chuan, Liu, Ching-Tsun, Tien, Jien-Heh, Jeffrey R. Williams
NT$10,000,000 to less than NT$15,000,000	None	None	None	None
NT$15,000,000 to less than NT$30,000,000	None	None	Teng, Ching-Leou, Lin, Ko-Chung, Hwang, Chan-Kou	Teng, Ching-Leou, Lin, Ko-Chung, Hwang, Chan-Kou
NT$30,000,000 to less than NT$50,000,000	None	None	None	None
NT$50,000,000 to less than NT$100,000,000	None	None	None	None
NT$100,000,000 or more	None	None	None	None
Total	11 persons	11 persons	11 persons	11 persons

(2) Remuneration of the General Manager and Assistant General Manager

Unit: NT$ thousands

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances (C)		Employees' Profit-Based Rewards (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income After Tax (%)		Remuneration Received from an Invested Company Other than Subsidiaries or from the Parent Company
		From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia		From All Consolidated Entities		From PharmaEssentia	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
Chief Pharmaceutical Officer	Teng, Ching-Leou	16,930	16,930	-	-	-	-	5,130	-	5,130	-	0.44	0.44	None
Chief Executive Officer	Lin, Ko-Chung	16,930	16,930	228	228	-	-	4,630	-	4,630	-	0.43	0.43	None
General Manager	Hwang, Chan-Kou	15,530	15,530	-	-	-	-	4,130	-	4,130	-	0.39	0.39	None
Assistant General Manager	Snow Chang	-	-	-	-	-	-	-	-	-	-	-	-	None

Note: Snow Chang was promoted to Assistant General Manager in March 2026, so no amount was declared for 2025.

General Manager and Deputy General Manager Remuneration Bracket

Remuneration Brackets	Name	
	From PharmaEssentia	From All Consolidated Entities
Less than NT$1,000,000	None	None
NT$1,000,000 to less than NT$2,000,000	None	None
NT$2,000,000 to less than NT$3,500,000	None	None
NT$3,500,000 to less than NT$5,000,000	None	None
NT$5,000,000 to less than NT$10,000,000	None	None
NT$10,000,000 to less than NT$15,000,000	None	None
NT$15,000,000 to less than NT$30,000,000	Teng, Ching-Leou, Lin, Ko-Chung, Hwang, Chan-Kou	Teng, Ching-Leou, Lin, Ko-Chung, Hwang, Chan-Kou
NT$30,000,000 to less than NT$50,000,000	None	None
NT$50,000,000 to less than NT$100,000,000	None	None
NT$100,000,000 or more	None	None
Total	3 persons	3 persons

(3) Names of managerial officers provided with employees' profit-based rewards and distribution status:

Unit: NT$ thousands

Title	Name	Stock	Cash	Total	Total as percentage of net profit after tax (%)
Chairperson and Chief Pharmaceutical Officer	Teng, Ching-Leou	-	28,796	28,796	0.57
Founder and Chief Executive Officer	Lin, Ko-Chung				
General Manager	Hwang, Chan-Kou				
Chief Medical Officer, Medical Research Center	Albert Qin				
Chief Legal Officer, Legal Department	Chen, Hsin-Yi				
General Management Center - Assistant General Manager of Finance, Accounting, Procurement, and Administration	Snow Chang				

(4) Remuneration Paid to Directors, the General Manager, and Assistant General Manager in the Two Most Recent Years

A. Analysis of total remuneration for the two most recent years as a percentage of net income after tax, as paid by the Company and other companies included in the consolidated financial statements to the Company's directors, supervisors, general managers, and deputy general managers

Unit: NT$ thousands

Item	2025				2024			
	Total Remuneration		As a Percentage of Net Income After Tax (%)		Total Remuneration		As a Percentage of Net Income After Tax (%)	
	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities	From PharmaEssentia	From All Consolidated Entities
Directors' Remuneration	55,690	55,690	1.10	1.10	14,205	14,205	0.48	0.48
Remuneration of General Manager and Assistant General Manager	63,508	63,508	1.26	1.26	41,497	41,497	1.41	1.41

B. Remuneration policies, standards, and packages, the procedure for determining remuneration, and their correlation with operating performance and future risks

i. Remuneration for directors (including independent directors) is determined based on the Company's Articles of Incorporation and the Policy on Remuneration for Directors, Functional Committee Members, and Managerial Officers, also taking into account the director's job responsibilities at the Company, and their level of participation and specific contributions to the Company's operations. The remuneration amount is submitted to the Board of Directors for resolution after being reviewed by the Remuneration Committee.

- PharmaEssentia has established the Policy on Remuneration for Directors, Functional Committee Members, and Managerial Officers in 2024, which serves as a reference when determining the remuneration of individual directors. The Board is authorized to set the remuneration for directors and independent directors based on their respective levels of involvement in the Company's operations, their contributions, and industry standards in Taiwan and abroad.
- "Remuneration of Directors Who are Also Employees" refers to the salary for Chairperson Teng, Ching-Leou, who also serves as the Chief Pharmaceutical Officer; Director Lin, Ko-Chung, who also serves as the Chief Executive Officer; Director Hwang, Chan-Kou, who also serves as the General Manager and Representative of the Company's Taichung Plant. This remuneration amount is determined based on their job responsibilities, individual contributions, the Company's operating performance for the fiscal year, and taking into account the Company's future risks. The amount is first reviewed by the Remuneration Committee and then submitted to the Board of Directors for resolution.

ii. The remuneration for the General Manager and Assistant General Manager is determined based on the Company's rules governing managerial officer performance evaluation. The evaluation is based on the annual key performance indicators set for each department, aligned with the Company's operational objectives. Performance is evaluated by measuring the Company's attainment of these operational objectives. In addition to evaluating overall individual performance, work quality, achievement of sustainable development action plans, and contributions to the Company's performance, factors such as the Company's operational performance, future risks, development strategies, industry trends, and the remuneration standards of companies in the same industry are also taken into consideration to ensure that a reasonable level of remuneration is provided. Pursuant to the Company's rules, this performance evaluation and profit-based rewards allocation is first reviewed by the Remuneration Committee, before being submitted to the Board of Directors for approval. The Company will timely review and adjust the remuneration policy based on the overall business environment and the Company's business strategy, in order to balance the sustainable development of the Company and overall stakeholder interests.

3. Corporate Governance

(1) Operations of the Board of Directors

The Company held a total of 7 Board meetings in 2025. All directors had a 100.00% attendance rate, and director attendance is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (in person) (%)	Remarks
Chairperson	Teng, Ching-Leou	7	0	100%	
Director	Lin, Ko-Chung	7	0	100%	
Director	Hwang, Chan-Kou	7	0	100%	
Director	Lee, Shen-Yi	7	0	100%	
Director	Chang, Jinn-Der	7	0	100%	
Director	Eon Capital investment account, entrusted to Yuanta Commercial Bank Representative: Hsu, Hsueh-Fang	7	0	100%	
Director	Management Committee, National Development Fund, Executive Yuan Representative: Hsiao, Chen-Jung	7	0	100%	
Independent Director	Tien, Jien-Heh	7	0	100%	
Independent Director	Hsieh, Ming-Chuan	7	0	100%	
Independent Director	Liu, Ching-Tsun	7	0	100%	
Independent Director	Jeffrey R. Williams	7	0	100%	

Other required disclosure:

A. If any of the following circumstances occur in the operation of the Board, the date, session number, content of the proposals, the opinions of all independent directors, and the Company's response to the independent directors' opinions shall be disclosed:

i. Matters listed in Article 14-3 of the Securities and Exchange Act: Article 14-3 of the Securities and Exchange Act is not applicable as the Company has set up an Audit Committee. Relevant information on these matters can be found in the section "Operations of the Audit Committee" in this Annual Report.

ii. Other than the aforementioned matters, resolutions from Board meetings where independent directors expressed objections or qualified opinions that were put on record or issued as written statements: None.

B. Implementation Status of Directors' Recusal in Conflict-of-Interest Proposals:

Date	Name of Director	Proposal Content	Reason for recusal	Participation in voting
2025.2.25	All directors	Amendment to Directors' Remuneration and Travel Expenses	Related to the director's own interests	Attending directors did not participate in discussion and voting on topics related to their own personal profit-based rewards allocation.
	Director Teng, Ching-Leou, Director Lin, Ko-Chung, Director Hwang, Chan-Kou	Review of 2024 Managerial Officer Performance Evaluation	Concurrently serves as a manager for the Company.	Did not participate in discussion and voting
	Director Teng, Ching-Leou,	Adjustment of Salaries for 2025	Concurrently serves as a	Did not participate in discussion and voting

Date	Name of Director	Proposal Content	Reason for recusal	Participation in voting
	Director Lin, Ko-Chung, Director Hwang, Chan-Kou		manager for the Company.	
2025.8.12	Hwang, Chan-Kou, Director	Proposal on General Manager Hwang, Chan-Kou concurrently serving as the Company's Information Security Officer	Related to the director's own interests	Did not participate in discussion and voting
	Lin, Ko-Chung, Director	Proposal on Chief Executive Officer Lin, Ko-Chung concurrently serving as the General Manager of the Company's U.S. subsidiary	Related to the director's own interests	Did not participate in discussion and voting

C. Board of Directors Self (or Peer) Evaluation:

Evaluation Cycle	Annually.
Evaluation Period	January 1, 2025 to December 31, 2025
Evaluation Scope	The Board, individual directors, the Audit Committee, and the Remuneration Committee
Evaluation Method	Internal self-evaluation by the Board, self-evaluation by directors
Evaluation Content	1. Board performance evaluation: Including the level of involvement in company operations, the Board's decision-making quality, composition and structure of the Board, director election and continuing education, and internal control. 2. Individual director performance evaluation: Including understanding of company goals and mission, awareness of director responsibilities, level of involvement in company operations, internal relationship management and communication, profession and continuing education of directors, and internal control. 3. Functional committee performance evaluation: Level of involvement in company operations, awareness of committee responsibilities, decision-making quality of committees, committee composition and member election, and internal control.
Evaluation Results	The Board, individual directors, and all functional committees are operating well. The Company will continue to refine the Board's functions based on the results of performance evaluation to enhance corporate governance.

D. Evaluation on goals and achievements of strengthening Board functions:

i. The operations of the Company's Board of Directors are conducted pursuant to the Rules of Procedure for Board Meetings and relevant laws and regulations. Each member of the Company's Board of Directors possesses diverse professional backgrounds enabling them to provide professional opinions and advice on the Company's long-term development strategy, major investment decisions, and management affairs. In line with the duty of care of a prudent manager, they have fulfilled their obligation to guide and supervise the Company, improving the quality of Board of Directors decisions and the Company's overall governance effectiveness.

ii. The directors achieved a 100% completion rate for their training hours in 2025, fulfilling legal requirements and the Company's governance needs. The Company will continue planning continuing education courses for directors to enhance our directors' professional knowledge of ESG (environmental, social, and governance), sustainable development, climate risks, and net-zero transition. Through the operations of the Board of Directors and functional committees, the Company supervises how management is implementing related strategies and action plans, and continues to optimize our ESG management framework and the quality of our information disclosures in order to promote the Company's sustainable operations and enhance long-term corporate value.

(2) Operations of the Audit Committee

The main responsibility of the Company's Audit Committee is to support the Board of Directors in overseeing the quality and integrity of the Company's accounting, auditing, and financial reporting procedures and financial controls, ensuring that the Company's corporate governance is sound. The matters reviewed by the Audit Committee include but are not limited to: Financial statements, internal control systems, accounting plans and implementation, major assets, derivative products, capital loans, endorsements or guarantees provided, the raising or issuing securities, regulatory compliance, and the appointment, dismissal, or remuneration of CPAs.

A total of 7 (A) Audit Committee meetings were held in 2025. The attendance is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (in person) (%)	Remarks
Independent Director	Tien, Jien-Heh	7	0	100%	
Independent Director	Hsieh, Ming-Chuan	7	0	100%	
Independent Director	Liu, Ching-Tsun	7	0	100%	
Independent Director	Jeffrey R. Williams	7	0	100%	

Other required disclosure:

A. If any of the following circumstances occur during the operation of the Audit Committee, the Board meeting date, session number, content of the proposals, resolution results from the Audit Committee, and the Company's response to the Audit Committee's opinions shall be disclosed:

i. Matters listed in Article 14-5 of the Securities and Exchange Act:

Board of Directors	Agenda and Follow-up Actions
February 25, 2025	• Review of PharmaEssentia's 2024 Financial Statements and Business Report • The Company's proposed distribution of earnings in 2024 • Proposal for the Company's Earnings Capitalization and Issuance of New Shares • Reviewed the annual evaluation of independence of PharmaEssentia's certified public accountant Ernst & Young. • Proposal to re-appoint Ernst & Young for preparing the 2025 financial and tax reports • PharmaEssentia's 2025 CPA Fee Proposal • Matters related to the secondary public offering of the Company's private placement shares • Proposal for PharmaEssentia's 2024 Internal Control System Statement • Amendment of the Company's Articles of Incorporation
May 9, 2025	• Acknowledgment of PharmaEssentia's Q1 Consolidated Financial Statements of 2025 • Amendment to the Company's Internal Control System Procedures for the Nine Major Cycles.

Board of Directors	Agenda and Follow-up Actions
	• Revision of the management regulations of PharmaEssentia
May 28, 2025	• Matters related to the secondary public offering of the Company’s private placement shares
August 12, 2025	• Acknowledgment of PharmaEssentia’s Q2 Consolidated Financial Statements of 2025 • Approved the Company's plan to provide a new endorsement and guarantee of KRW 16 billion to our South Korean subsidiary PharmaEssentia Korea Corporation • Establishment of a subsidiary in the British Virgin Islands (BVI) • Establishment of the Company’s tax policy • Amendment to the Company's Management Measures for Major Litigation Disputes
November 4, 2025	• Acknowledgment of PharmaEssentia’s Q3 Consolidated Financial Statements of 2025 • Establishment of a Shanghai subsidiary • The Company’s acquisition of Shanghai Bintie Biotechnology Co., Ltd.’s assets • Proposal on the Company’s investment into Taiwan Bio-Manufacturing Corporation (TBMC) • Amendment to the Company’s Guidelines for the Management of Transactions with Related Parties, Specific Companies, and Group Enterprises • Relevant matters of PharmaEssentia’s issuance of new employee restricted stock awards
December 23, 2025	• Proposal for PharmaEssentia’s 2026 Business Plan and Budget • Proposal for PharmaEssentia’s 2026 Audit Plan • Matters related to the Company’s establishment of a Shanghai subsidiary, and a capital increase of US$34 million for the Shanghai subsidiary
Any objections, qualified opinions, or significant recommendations from independent directors: None	
The Audit Committee’s resolution results and the Company’s response to the Audit Committee's opinions: Unanimously approved by all Committee members in attendance.	

ii. Other matters not approved by the Audit Committee but passed with the consent of at least two-thirds of all directors: None.

B. Implementation status of independent directors’ recusal in conflict-of-interest proposals: There were no cases where an independent director recused themselves during an Audit Committee meeting due to a proposal involving a conflict of interest in 2025.

C. Communication between independent directors, the chief internal auditor, and CPAs:

i. The Company's chief auditor and accountants are able to directly contact each other at any time when necessary through open channels of communication.

ii. The Company's internal audit department submits audit reports to each independent director for review each month, and the chief internal auditor regularly convenes an Audit Committee meeting at least once a quarter, and holds one-to-one meetings with each independent director at least once a year to provide an explanation on the audit work carried out, the audit results discovered, and how issues are being followed up on.

iii. The Company's CPAs report to independent directors at quarterly Audit Committee meetings on their review and audit of the financial statements from the Company and our domestic and international subsidiaries, internal control audit results, and the impact of amendments to or publications of IFRS standards and related tax regulations on the Company.

iv. Please refer to the Company's website for the communication between independent directors, the chief auditor, and CPAs: https://hq.pharmaessentia.com/tw/csr/內部稽核

(3) Corporate governance practices, differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for the differences

Assessment item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
1. Has the Company established and disclosed its Corporate Governance Best Practice Principles according to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has established a set of Corporate Governance Best Practice Principles. These Principles are available for stakeholders to browse and download at the Corporate Governance section of the Company's website.	None
2. Shareholding structure and shareholders' equity				
(1) Has the Company established internal operating procedures to address shareholder suggestions, questions, disputes, and litigation, and implemented these procedures accordingly?	✓		(1) The Company has established a dedicated Corporate Relations Department to respond to shareholder suggestions, doubts, disputes, and litigation. We have also established an Investor Relations section on our website and provided information on how shareholders and investors can contact us to provide suggestions or ask questions.	None
(2) Does the Company have a list of the major shareholders who have actual control over the company and the ultimate owners of these major shareholders?	✓		(2) The Company has engaged a dedicated stock transfer agency to assist in managing shareholding-related matters, and to stay informed on the identities of the major shareholders who have actual control over the company and their ultimate owners.	

Assessment item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
(3) Has the Company established and implemented risk control and firewall mechanisms with its affiliated companies? (4) Does the Company have internal regulations in place to prohibit insiders from trading securities using information that is not yet public?	✓ ✓		(3) Pursuant to regulations, the Company has established control mechanisms such as the Operating Procedures for Transactions with Group Enterprises, Specific Companies, and Related Parties and the Regulations Governing Subsidiary Supervision. (4) The Company has established the Operation Procedures for Processing Significant Internal Information and Preventing Insider Trading to regulate all employees, managerial officers, and directors of the Company, and anyone aware of the Company's information due to their occupation or controlling relationships. Any conduct that may involve insider trading is prohibited, and internal training and advocacy are conducted periodically. The Company has also explicitly prohibited Company insiders from using non-public information for securities trading, including prohibiting directors from trading the Company's stock during blackout periods, such as within 30 days prior to the release of annual financial reports and 15 days prior to the release of each quarterly financial report.	
3. Board Composition and Responsibilities (1) Has the Board established a diversity policy and specific management objectives, and implemented them effectively?	✓		(1) Please refer to pages 12 to 20 of this year's Annual Report for information disclosures on the Company's Board of Directors diversification policy and implementation.	None

Assessment item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
(2) In addition to the Remuneration Committee and the Audit Committee, which are required by law, has the company voluntarily established other functional committees?	✓		(2) The Company has established a Remuneration Committee and Audit Committee Based on our industry's characteristics and business needs. More functional committees will be established as needed if required in the future.	
(3) Has the Company formulated regulations governing Board performance evaluation and evaluation methods, conducted periodic annual performance evaluations, reported the results of the performance evaluations to the Board, and used them as a reference for the remuneration, nomination, and reappointment of individual directors?	✓		(3) The Company has established the Regulations Governing Board of Directors Performance Evaluation, and conducts periodic annual performance evaluations for the entire Board, individual directors, and the Audit Committee. The evaluations are conducted through self-evaluation questionnaires, and the results of the performance evaluations are submitted and reported to the Board. These results are taken into consideration when determining director remuneration and whether to nominate a director for reappointment. With regard to director training, the Company will continue to arrange a diverse range of continuing education courses for our directors to help them develop professional knowledge and skills.	
(4) Does the Company periodically evaluate the independence of CPAs?	✓		(4) The Company references regulations including the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and the Standards on Accounting to conduct regular annual evaluations of CPA independence based on the following criteria, and reports the results to the Audit Committee and the Board of Directors:	

Assessment item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			A. Statement of Independence declared by the CPA. B. Prior review of audit and non-audit services provided by the CPA by the Audit Committee to ensure that non-audit services do not compromise audit results. C. Ensuring that no single CPA provides services for more than seven consecutive years. D. Use of the CPA Independence Evaluation Questionnaire and the Audit Quality Indicators (AQIs) published by the Financial Supervisory Commission each year to compile the results of the CPA independence evaluation, covering aspects such as financial interests, credit and guarantees, business relationships, family and personal relationships, employment relationships, gifts and special offers, and CPA rotation and non-audit services. Based on an assessment of the above items, the Company has not discovered any circumstances which may affect the independence or competence of our CPAs. The assessment results were discussed and approved by the Audit Committee on March 2, 2026, and subsequently submitted to and approved by the Board of Directors on the same day.	
4. Does the TWSE/TPEx listed company appoint a qualified and appropriately sized team of corporate governance personnel and	✓		The Board has appointed the Company's Director of Finance as the Corporate Governance Officer, responsible for corporate governance-related matters, including organizing Board meetings, Audit Committee meetings, Remuneration Committee meetings, and Shareholders' Meetings in accordance with the law; assisting directors	None

Assessment item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
a corporate governance officer responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with the necessary information to perform their duties, ensuring directors and supervisors comply with laws and regulations, organizing Board meetings and Shareholders' Meetings in accordance with the law, and preparing minutes for these meetings)?			with onboarding and continuing education; providing directors with the necessary information to perform their duties; and assisting directors in ensuring compliance with laws and regulations. The Company's Corporate Governance Officer possesses more than three years of experience as a financial officer at a publicly-traded company, and has completed all professional training required by law.	
5. Does the company have communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the company website, and properly respond to stakeholders' concerns regarding the key corporate social responsibility issues?	✓		The Company has designated a spokesperson, and created a dedicated stakeholder feedback section on the Company website to address stakeholder concerns, establishing a channel where stakeholders can ask questions and communicate with the Company. The Company's Sustainable Development Center regularly reviews sustainability issues of concern, and creates response plans to address these issues. This ensures that we can effectively address corporate social responsibility issues important to stakeholders.	None
6. Has the company engaged a professional	✓		The Company has engaged a professional stock transfer agency, the Transfer Agency	None

Assessment item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
stock transfer agency to handle shareholders' meeting matters?			Department of CTBC Bank, to handle Shareholders' Meeting matters.	
7. Information disclosure (1) Does the company have a website disclosing financial, business, and corporate governance information? (2) Does the company adopt other methods of information disclosure (such as building a website in English, appointing dedicated personnel to gather and disclose company information, implementing a spokesperson system, and disclosing the proceedings of investor conferences on the company website)? (3) Does the company publish and file its annual financial reports within two months after the end of a fiscal year, and publish and file its financial reports for the first, second and third quarters as well	 ✓ ✓ ✓		(1) The Company's website provides information on the Company and our clinical R&D and products, latest updates, financial operations, corporate social responsibility, and corporate governance. (2) The Company has established websites in both Traditional Chinese and English, appointed dedicated personnel to gather and disclose information, and designated a spokesperson and an acting spokesperson pursuant to regulations. The Company also holds periodic or ad-hoc physical or virtual investor conferences, with the proceedings disclosed on the Market Observation Post System or the Company's website. (3) The Company submits and files operational reports each month within the prescribed deadlines. The quarterly and annual financial reports are announced and filed in advance before their prescribed deadlines. Please refer to the Market Observation Post System for more details on the above information disclosures.	None

Assessment item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
as its operating status for each month ahead of specified deadline?				
8. Does the company have any other information that contributes to better understanding its corporate governance standing (including but not limited to employee rights, employee care, investor relations, supplier relationships, stakeholder rights, the continuing education of directors and supervisors, implementation status of risk management policies and risk assessment standards, implementation status of customer policies, and liability insurance purchased for the company's directors and supervisors)?	✓		(1) Employee rights: The Company has established an Employee Welfare Committee, and regularly provides various employee benefits (such as holiday bonuses and health checkups). We also provide labor insurance, health insurance, and group employee insurance in order to comprehensively protect basic employee rights and welfare. (2) Employee care: The Company safeguards the legal rights of employees pursuant to the Labor Standards Act and other related laws and regulations, and has established a reasonable remuneration and performance evaluation system. We also regularly convene employer-employee meetings in order to promote a harmonious employer-employee relationship and respond to employee opinions. (3) Investor relations: Pursuant to laws and regulations, the Company discloses our financial, business, and other material information on the Market Observation Post System. We have also established a dedicated contact channel for responding to investor inquiries, and hold timely investor conferences or provide related information, allowing us to enhance information transparency and maintain good investor relations. (4) Supplier relationships: The Company selects suppliers through a fair process	None

Assessment item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			pursuant to internal procurement guidelines and contract rules. We attach great importance to supplier quality, delivery times, and reasonable prices. At the same time, we look to build stable long-term partnerships through mechanisms for continuous supplier communication and evaluation. (5) Stakeholder rights: The Company has established multiple channels for communication (including the Company website, Market Observation Post System, and dedicated contact channels) where we disclose our financial, business and other material information. We also value stakeholder opinions and suggestions, and are committed to protecting their rights and interests. (6) Continuing education for directors: The Company arranges for directors to attend continuing education courses on professional knowledge related to their duties, in order to enhance the competencies of the Board of Directors. All of the Company's directors achieved a 100% completion rate for their training hours in 2025. (7) Implementation of risk management policies and risk assessment standards: The Company has established appropriate risk management policies, procedures, and internal controls pursuant to regulations. Information on significant transactions and financial activity has also been submitted to the Board of Directors for review and oversight pursuant to regulations, ensuring that the Company's business operations remain sound.	

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Operations</th><th rowspan="2">Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>(8) Implementation of customer policies: The Company maintains good communication with customers, and has appointed dedicated sales personnel. We attach great importance to product and service quality in order to maintain good customer relations and high satisfaction.
(9) Purchase of liability insurance for directors: The Company’s Articles of Incorporation explicitly require liability insurance for directors, and the Company has purchased liability insurance for our directors and supervisors to protect directors from related risks when conducting their work duties, strengthening the Company’s governance mechanism.</td><td></td></tr>
<tr><td colspan="5">9. Please describe the improvements made based on the company’ corporate governance evaluation results published by the Corporate Governance Center of the Taiwan Stock Exchange Corporation for the most recent fiscal year, and propose priority enhancement areas and measures for unresolved issues.
The results of the 12th (2025) corporate governance evaluation of the Company fall within the 21%~35% range. Below is an explanation of improvements made and priority areas for enhancement:
(1) The Company continues to engage independent third-party institutions on a regular basis to conduct board performance evaluations. The results of the evaluation report have been disclosed on the Company’s official website.
(2) The Company has established a Sustainable Development Center and five key functional teams under the CEO’s leadership. They are responsible for planning and promoting the Company’s ESG sustainability policies and implementation plans, and provide quarterly performance reports to the Board.
(3) The Company plans to set up a nomination committee based on actual operational development needs to continuously strengthen the director selection mechanism. In addition, senior executives and the human resources department will formulate talent development plans for key management positions based on actual operational development needs.</td></tr>
</table>

Assessment item	Operations			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
(4) The Company will continue to refine its corporate governance information on the official website, making it easier for internal and external stakeholders to timely access the information they need, establishing good interaction and communication with them. (5) Considering the Company has turned losses into profits, it now can increase voluntary disclosure items.				

Corporate Governance Officer’s continuing education in 2025:

Organizer	Course Name	Training Date	Hours
BCSD Taiwan	Green and Transitional Finance: Policies, Practices, and Future of Green Securities forum	2025/8/13	2
Chinese National Association of Industry and Commerce	Taishin and Shin Kong Net Zero Summit	2025/8/22	3
Securities and Futures Institute	Risk management and strategy analysis for corporate sustainability	2025/11/4	3
	Dual-axis transformation to enhance organizational resilience - AI governance and sustainable governance	2025/11/4	3
	How directors and supervisors oversee the establishment and improvement of the company's risk management system	2025/12/18	3
		Total Hours	14

(4) Remuneration Committee Composition and Operations:

The Company has established a Remuneration Committee comprised of all of the Company's independent directors. The Committee's primary functions include formulating and reviewing policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managerial officers, and submitting these suggestions to the Board of Directors for discussion:

A. Remuneration Committee Member Profile

<table>
<tr><th>Identity</th><th>Criteria / Name</th><th>Professional qualifications and experience</th><th>Meets Independence Criteria</th><th>Number of Other Public Companies Where Concurrently Serving as a Remuneration Committee Member</th><th>Remarks</th></tr>
<tr><td>Independent Director</td><td>Tien, Jien-Heh</td><td colspan="2" rowspan="4">The Company's Remuneration Committee comprises of all of the Company's independent directors. Please refer to the section on the professional qualifications of directors from pages 12 to 16 of this Annual Report for more information on the professional qualifications and experience of Committee members.</td><td>0</td><td></td></tr>
<tr><td>Independent Director</td><td>Hsieh, Ming-Chuan</td><td>1</td><td></td></tr>
<tr><td>Independent Director</td><td>Liu, Ching-Tsun</td><td>0</td><td></td></tr>
<tr><td>Independent Director</td><td>Jeffrey R. Williams</td><td>0</td><td></td></tr>
</table>

B. Operations of the Remuneration Committee

i. The Company's Remuneration Committee consists of four members.

ii. Current members' term of office: May 27, 2024 to May 26, 2027; A total of 4 Remuneration Committee meetings were held in 2025. The attendance is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (in person) (%)	Remarks
Independent Director	Tien, Jien-Heh	4	0	100%	
Independent Director	Hsieh, Ming-Chuan	4	0	100%	
Independent Director	Liu, Ching-Tsun	4	0	100%	
Independent Director	Jeffrey R. Williams	4	0	100%	

Other required disclosure:

A. Cases where the Company's Board did not adopt or modified the Remuneration Committee's recommendations: None.

B. Resolutions from the Remuneration Committee where members expressed objections or qualified opinions that were put on record or issued as written statements: None.

C. Discussion topics and resolutions of the Remuneration Committee meetings in 2025:

Period	Discussion topics	Results of resolutions
1st Repurchase in 2025	• Review of PharmaEssentia's 2024 Managerial Officers' Performance Evaluations • Review of PharmaEssentia's 2025 Managerial Officers' Remuneration Adjustment Proposal • Proposal on the payment details stipulated in PharmaEssentia's Policy on Remuneration for Directors, Functional Committee Members, and Managerial Officers • Proposal on PharmaEssentia's employee shareholding trust • Proposal on definition of "non-managerial employee"	Unanimously approved and passed by all attending committee members, submitted to the Board of Directors for resolution.
2nd Repurchase in 2025	• Proposal on suggestions for the profit-based rewards distributed to managerial employees under the 2024 employee profit-based rewards distribution • Ratification of the Company's appointed Chief Information Security Officer • Appointment of the Company's U.S. General Manager	Unanimously approved and passed by all attending committee members, submitted to the Board of Directors for resolution.
3rd meeting in 2025	• Proposal on first issue of employee restricted stock awards in 2025 • Proposal on distribution of treasury stock repurchased in 2021 for transfer to employees	Unanimously approved and passed by all attending committee members, submitted to the Board of Directors for resolution.
4th meeting in 2025	• Proposal on distribution of treasury stock repurchased in 2021 for transfer to managerial employees • Amendment to the Company's definition of "non-managerial employee"	Unanimously approved and passed by all attending committee members, submitted to the Board of Directors for resolution.

(5) Implementation status of sustainable development and differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Assessment item	Operations			Differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
1. Has PharmaEssentia set up a governance framework that promotes sustainable development and a dedicated (or nondedicated) team, which is authorized by the Board of Directors and reports to the senior management and the Board, to implement sustainable development?	✓		The Board of Directors is the highest authority for governing the implementation of sustainable development. For more comprehensive management of sustainable development, the company established a Sustainability Development Center under the management of the CEO. The center works with five functional groups (environmental friendliness group, employee care group, corporate governance group, product ethics and safety group, and drug accessibility group) to establish sustainable development policies, goals, strategies, and implementation plans as well as to handle relevant affairs. A quarterly progress report is submitted to the Board of Directors by a project representative.	None
2. Has PharmaEssentia conducted risk assessments on environmental, social, and corporate governance issues related to its operations and formulated related risk management policies or strategies based on the concept of materiality?	✓		(1)PharmaEssentia disclosed information on non-financial ESG performance in 2025, covering major business locations including the Taiwan headquarters, Taichung Plant, and subsidiaries such as Panco Healthcare Co., Ltd., as well as our U.S. and Japan subsidiaries. (2)PharmaEssentia conducts materiality analysis and identification every two years with reference to COSO ERM Enterprise Risk Management, GRI110, SASB, AA1000, TCFD, and the concept of Double Materiality	None

Assessment item	Operations			Differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			proposed by the E.U. In addition, the sustainable trends and developmental issues that international rating agencies attach great importance to are also taken into consideration, and feedback from internal and external stakeholders are collected according to the direction of PharmaEssentia's strategic development to identify the impact/effect of PharmaEssentia's major operating activities on the economy, environment, people/human rights as well as the impact/effect of major activities on the operating performance of PharmaEssentia. After interviewing important stakeholders and senior management, 8 major issues have been identified for management and disclosure. Related information, such as major topic management, will be disclosed in the 2025 corporate sustainability report. (3)Risk evaluation results and management policies: We established short, mid, and long-term strategic goals and management policies for the highly significant issues identified this time, and reviewed the achievement rate of various indicators/goals periodically to track and manage various sustainable performance in a timely manner. Related information, such as major topic management, will be disclosed in the 2025 corporate sustainability report.	
3. Environmental issues				

Assessment item	Operations			Differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
(1)Does PharmaEssentia have in place a suitable environmental management system based on the characteristics of the industry?	✓		(1)PharmaEssentia has established a dedicated environmental safety team that is responsible for publicizing and regulating environmental protection–related matters. The 2024 ISO 14064-1:2018 Greenhouse Gas Inventory Verification Statement from a third-party verifier has been obtained. In 2024, the Taichung Plant introduced the ISO 14001:2015 Environmental Management System to assist the company in identifying potential environmental issues and implementing improvements across the product life cycle, aiming to reduce environmental impact, enhance production efficiency, and increase company revenues. In 2024 and 2025, we successfully obtained third-party certification from SGS and were accredited with the latest version of the internationally recognized standard for environmental management systems, ISO 14001:2015. This achievement demonstrates the Company's performance in environmental protection and sustainability, earning it well-deserved international recognition.	None
(2)Does PharmaEssentia work to improve resource utilization efficiency and use recycled materials that have a low impact on the environment?	✓		(2)The energy consumption of the company mainly consists of purchased electricity and natural gas within the organization. The replacement of variable frequency driven compressors and the installation of a new magnetic levitation ice water machine have been completed. In 2024, we actively assessed the potential adoption of an energy monitoring system to reduce electricity consumption, improve steam process	

Assessment item	Operations			Differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			control/optimization and waste heat recovery to reduce natural gas consumption, and improve energy-saving efficiency and effectiveness. Related information on energy consumption and utilization will be disclosed in the 2025 Corporate Sustainability Report.	
(3)Does PharmaEssentia evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		(3)In response to the United Nations' Sustainable Development Goal 13 (Climate Action), PharmaEssentia has adopted the TCFD framework to identify climate-related risks and opportunities and conducted scenario analysis and financial impact evaluation based on the framework.	
(4)Does PharmaEssentia take inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and draw up policies on energy efficiency and carbon reduction, greenhouse gas reduction, water reduction, or waste management?	✓		(4)PharmaEssentia is actively committed to issues related to energy conservation, carbon reduction, and greenhouse gas reduction. The company adopts appropriate temperature control of the air conditioners in summer to achieve energy efficiency, energy conservation, and carbon reduction. Related information on PharmaEssentia's greenhouse gas emissions, water consumption, and total waste from the preceding two years will be disclosed in the 2025 Corporate Sustainability Report.	

Assessment item	Operations			Differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			(5)The Company plans to adopt an Energy Management System (EMS) to improve our ability to manage the energy consumption of air conditioning equipment and other related auxiliary process equipment. Through monitoring operating status and energy consumption data in real-time, this information can be utilized to optimize equipment maintenance and management, ensuring the stability of process equipment and product quality while also improving energy efficiency and management effectiveness.	
4. Safeguarding social welfare (1)Has PharmaEssentia formulated management policies and procedures in accordance with relevant regulations and international human rights conventions? (2)Has PharmaEssentia established and does it implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure	✓ ✓		(1)PharmaEssentia complies with relevant labor regulations and has formulated relevant labor operation procedures and human rights policies to protect against and prevent situations that may endanger the basic rights of its employees. No violation of human rights was reported this year. (2)In compliance with the Sustainable Development Best Practice Principles, PharmaEssentia provides equal treatment and fair payment to its employees, regardless of their sex, religion, race, nationality, and political opinions. In addition, PharmaEssentia formulated a work code as well as regulations regarding personnel rewards and punishments.	None

Assessment item	Operations			Differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
business performance or results are reflected adequately in employee remuneration?			Promotions and salary adjustments are provided annually according to the degree to which the annual business goal is achieved, individuals' annual performance reviews, and outsourced salaries and welfare surveys to provide compensation that is above the industry standard.	
(3)Does PharmaEssentia provide a safe and healthy work environment and organize regular health and safety training for employees?	✓		(3)Following the Occupational Safety and Health Policy, the Company has supported employee health management and implemented health promotion measures. The Company conducts annual employee health examinations as well as training on internal and external occupational safety and health. We have already obtained the Badge of Accredited Healthy Workplace, and regularly invite professional physicians and nurses to hold health seminars, as well as arrange employee occupational safety training courses.	
(4)Does PharmaEssentia have in place effective tools to help employees with career planning and development?	✓		(4)To meet organizational goals, achieve employee development, improve employee quality, and enhance professional competencies and work efficiency, in-service employees were provided various professional and technical training sessions and training courses upon approval, according to their competency level and job requirements. Employees are encouraged to enhance their specialized academic skills through knowledge sharing and exchange. PharmaEssentia emphasizes the cultivation of professional and technical talent by offering employees	

Assessment item	Operations			Differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			diverse learning channels and opportunities as well as professional training on the required work skills.	
(5)With regard to customer health and safety, customer privacy, marketing, and labeling of products and services, does PharmaEssentia follow relevant regulations and international standards and formulate relevant protection policies and appeal procedures for safeguarding consumer rights?	✓		(5)All business activities and operations at all stages of PharmaEssentia's product life-cycle value chain abide by the regulations of the country in which the operations take place. PharmaEssentia has established policies and management systems for legal compliance to ensure that all operations before and after product launches comply with the relevant laws and company policies. Moreover, PharmaEssentia ensures that clients' health and safety, privacy, marketing and branding, and privacy interests are not at risk. PharmaEssentia has also assigned personnel for global drug safety monitoring operations and reporting procedures to protect the rights and safety of patients using PharmaEssentia's products. No violation of health and safety regulations for products and services was reported this year.	
(6)Has PharmaEssentia formulated and implemented supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety	✓		(6)PharmaEssentia has formulated the code of conduct for suppliers and conducted ESG questionnaire to its suppliers to convey its corporate sustainability philosophy and practices and ensure stable supply partnerships and protection of patients' rights to use drugs. Meanwhile, PharmaEssentia has maintained a smooth communication channel with its suppliers. Based on mutual trust and mutual benefits, PharmaEssentia	

Assessment item	Operations			Differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
and health, and labor human rights?			aims to safeguard the reasonable rights and interests of both parties to achieve mutual prosperity. PharmaEssentia adopts a parallel approach of internal assessment review and on-site audit system every year to regularly evaluate its suppliers to ensure the stability of the quality of supply chain management. The Taichung Plant implemented the ISO 45001:2018 Occupational Health and Safety (OH&S) Management System in 2024, and also obtained the international ISO-45001:2018 certification in December of the same year. By doing so, we aim to promote a safe and hygienic working environment by identifying workplace hazards, preventing risks, and ensuring the protection of employees. This allows us to provide employees with a safe and secure workplace, reduce the possibility of accidents and illnesses, and improve regulatory compliance.	
5. Does PharmaEssentia reference international report preparation standards or guidelines to prepare corporate social responsibility reports and other reports for disclosing the company’s non-financial information? Are the	✓		PharmaEssentia’s 2025 Corporate Sustainability Report complies with the new GRI Standards and discloses non-financial ESG information and performance. We have also hired the third-party verification agency AFNOR Asia Ltd. to provide moderate assurance and verification up to the AA1000 Type 1 assurance standard. PharmaEssentia expects that the third-party assurance statement will be available before the end of June and the 2025 Corporate	None

Assessment item	Operations			Differences and reasons for dissimilarities between the Code of Practice of PharmaEssentia and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
aforementioned reports supported by the trust or guaranteed opinions of third-party verification units?			Sustainability Report will be uploaded/released before the end of August.	

6. If PharmaEssentia has formulated corporate social responsibility practice principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please state the operational differences between the two:
   The Sustainable Development Best Practice Principles formulated by PharmaEssentia are consistent in its spirit, with no significant dissimilarities.
7. Other material information that may aid in understanding the operations related to sustainable development:
   (1)PharmaEssentia's Corporate Sustainability Report received the Platinum Award for the health care industry at the 17th annual Taiwan Corporate Sustainability Awards, marking the third consecutive year that we have achieved the Platinum Award, the highest level of recognition. We received the Gold Award in the 18th awards, which was similarly an honor.
   (2)In 2024, PharmaEssentia was honored as one of the top 10 biotechnology companies in the world by the S&P Global Corporate Sustainability Assessment (CSA) and was included in the S&P Global Sustainability Yearbook 2024, making PharmaEssentia the first and only company from Taiwan's biotechnology industry to receive this honor. This is an important milestone for Taiwan's biotechnology industry, highlighting PharmaEssentia's active and outstanding performance in implementing global environmental, social, and governance (ESG) principles. S&P Global specifically commended PharmaEssentia's exceptional performance in social and medical contributions, talent management, and corporate governance. In December of the same year, PharmaEssentia was selected for the first time as a constituent stock of the Dow Jones Sustainability Index (DJSI) Emerging Markets Index, becoming the only Taiwanese company in the biotechnology industry selected in 2024. This demonstrates that the company's efforts and achievements in the ESG field have been acknowledged internationally, further enhancing its visibility in the global investment community. Entering 2025, PharmaEssentia's sustainability performance continues to reach new heights, again achieving a high score of 76 in the S&P Global CSA. Additionally, PharmaEssentia was included as a constituent stock of the Yuanta FTSE4Good TIP Taiwan ESG ETF (00850) in December of that year, demonstrating the Company's exemplary performance in both the capital markets and sustainable operations.

(3)Annual tangible plans and outcomes for annual corporate sustainable development

A. Since 2016, PharmaEssentia has been sponsoring the International Symposium on Myeloproliferative Neoplasms (MPN Asia) for 7 years in 4 cities in Asia, during which experts, scholars, and clinicians from numerous countries gather to engage in interactions and academic exchanges related to the research and treatment of blood diseases.

B. PharmaEssentia has helped the myeloproliferative neoplasm (MPN) treatment center of Chia-Yi Christian Hospital and the Taiwan Myeloproliferative Neoplasms Care Association (TMPNA) to provide service and care to patients with MPNs and realize the support activities for these patients in Taiwan.

C. PharmaEssentia has sponsored the New Year Charity Concert held by the OneSong Orchestra for 6 consecutive years to support the development of culture and art and promote a new ecology of inclusiveness and mutual benefit. To respond to the United Nations' Sustainable Development Goals 8 and 11.

D. PharmaEssentia continues to sponsor the public welfare project for rural elderly health of the Digital Humanitarian Association to support local healthy aging through digital technology and remote medical care model, and takes actions to care for disadvantaged groups. To respond to the United Nations' Sustainable Development Goals 3, 4, 5, 8, 10, 11, 13, and 17.

E. PharmaEssentia sponsors the International Jane Goodall Association_Hope Box plant diversity public welfare project and helps to protect biological diversity, and also contributes to the impact of sustainable use on human health. To respond to the United Nations' Sustainable Development Goals 3, 4, 13, and 15 and Convention on Biological Diversity (CBD), and the Health Initiatives of the World Health Organization (WHO).

F. PharmaEssentia's subsidiary, Panco Healthcare Co., Ltd., has set up MPN iCare, an interactive platform for patient health education, to provide relevant information to patients and their families. To provide new knowledge in the field of MPN and the effectiveness of long-acting interferon treatment to physicians, a total of 25 large and small seminars were held in 2024 for medical staff and patients to increase their understanding of the disease and drug treatment options and improve professional medical knowledge.

G. PharmaEssentia USA Corporation, the U.S. subsidiary, initiated a patient support event on BESREMi.com in 2022 and has continued this initiative. The subsidiary also launched the SOURCE Program, providing patients with a range of comprehensive services, such as insurance assistance and the consolidation of health education resources.

H. The Company's new drug Ropeg has been listed as a treatment option for PV, and was upgraded by the U.S. National Comprehensive Cancer Network (NCCN) in May 2023 to being the preferred drug for treating PV_2A patients in its treatment guidelines. In January 2024, the NCCN's newest guidelines listed it as the only first-line drug for treating both high- and low-risk PV patients. "The updated NCCN Guidelines prioritize the policy to expedite reimbursement for Ropeg, effectively increasing its market share in the U.S. The policy priority also presents an excellent opportunity to expand Ropeg's reach in the U.S. market, helping us achieve the goals of increasing market penetration and enhance market presence."

I. PharmaEssentia's Ropeg has been available for compassionate use since 2017 to benefit more patients. As of the end of 2024, a total of 52 patients in 4 countries have received the treatment.

J. Dr. Lin, Lih-Ling joined PharmaEssentia in 2022 as Chief Scientific Officer, where she leads the company's global R&D activities. She is responsible for expanding and diversifying the Group's product lines, driving R&D and innovation efforts in key global markets, overseeing scientific activities, and managing the application of research outcomes to advance cutting-edge technologies. In addition, Dr. Lih-Ling Lin was honored by Women We Admire as one of the "Top 25 Chief Scientific Officers of 2024" in December 2024.

K. PharmaEssentia's Besremi® (long-acting interferon) won the 22nd National Industrial Innovation Award - Corporate Innovation (Biotechnology Pharmaceutical and Precision Medicine Category), recognizing our outstanding performance in developing new indications and establishing new clinical trial standards. The clinical use of this innovative biopharmaceutical was expanded from PV treatment to also include ET treatment, demonstrating our market leadership and international competitiveness. This award highlights PharmaEssentia's innovative R&D capabilities and the results of our international development efforts, enhancing our brand value and market visibility in global biotechnology markets.

(4) More details on the plans and outcomes of implementing sustainable development among affiliate enterprises can be found in PharmaEssentia's Corporate Sustainability Report or its Chinese/English ESG website:
http://www.pharmaessentia-esg.com/
https://www.pharmaessentia-esg.com/en

(6) Climate-related information

A. Implementation status of climate-related information

Item	Implementation Status
1. Describe how the Board of Directors and management have conducted supervision and governance over climate-related risks and opportunities.	The Board of Directors is the highest-level climate governance unit at PharmaEssentia, and is responsible for overseeing and developing climate change strategies in line with net zero commitments. The Board of Directors has authorized the Sustainable Development Center and Environmental Friendliness Group to promote various climate management measures. The Chief Executive Officer is responsible for sustainability impact management, and reports on the implementation progress and results of various projects to the Board of Directors each quarter.
2. Describe how the climate risks and opportunities identified affect the Company's business, strategies, and financial position (short-term, mid-term, long term).	PharmaEssentia defines short-term as 1-3 years, medium-term as 3-5 years, and long-term as 5 or more years. (1) Short-term risks: Greenhouse gas management and carbon fee charges, raw material shortages. (2) Medium- and long-term: Renewable energy regulations, uncertainty surrounding low-carbon technologies. (3) Opportunities: Market opportunities for improving resource use efficiency (such as upgrading to more energy-saving equipment to save electricity) and developing drugs for climate-related diseases.
3. Describe the impact of extreme weather events and transition actions on the Company's financial position.	(1) Regulatory risk: Carbon fee expenses are estimated to be approximately NT$1.5 million a year, inventory and management system costs approximately NT$3 million. (2) Physical risks: Raw materials shortages may increase procurement costs by 10-20%. (3) Transition benefits: NT$5.5 million was invested into upgrading to more energy-saving equipment from 2023 to 2024, which is expected to reduce carbon emissions by 78.07 metric tons a year.
4. Describe how the climate risk identification, assessment, and management process is integrated in the overall risk management system.	PharmaEssentia has adopted the COSO enterprise risk management framework to incorporate climate risk into the "environmental risk" category for assessment, one of the nine major risk assessment categories. The risk management process includes risk identification, assessment, management, improvement, and disclosure, with a responsible unit implementing specific measures for each department.

Item	Implementation Status
5. If scenario analysis has been carried out to evaluate resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and main financial impact.	Using the Intergovernmental Panel on Climate Change's (IPCC) RCP2.6, RCP4.5, and RCP8.5 scenarios, the Company estimated changes in rainfall and flood/drought risks for the areas where our major plants are located (such as our Taichung Plant) under different temperature rise scenarios. The parameters used were based on the Shared Socio-Economic Pathways (SSPs) transition risk scenarios from the IPCC Sixth Assessment Report (AR6).
6. If there is a transition plan in place to respond to climate-related risks, describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transition risks.	The transition plan includes: Continuing to conduct inventories, upgrading to more energy-saving equipment (such as replacing air compressors), applying for green building certification at our new Zhubei Plant. Management metrics include greenhouse gas emissions intensity and energy intensity.
7. If internal carbon pricing is used as a planning tool, describe how this price has been determined.	PharmaEssentia does not currently use internal carbon pricing as a planning tool.
8. If climate-related goals have been set, describe the activities covered, scope of greenhouse gas emissions, schedule, and progress each year. If carbon credits or renewable energy certificates (RECs) have been used to offset carbon emissions to achieve relevant targets, specify the source and quantity of carbon credits or RECs used.	With 2022 as the base year, the Company has set a target to reduce emissions intensity by 24% in 2030. This reduction target includes both Scope 1 and Scope 2 emissions. Also pledged to achieve net-zero emissions by 2050. Emissions intensity in 2024 was 0.50t/million yuan, a decrease of 43% compared to the previous year.
9. Greenhouse gas inventory and assurance, reduction targets, strategies, and specific action plans	Please refer to the explanations on pages 43 to 44.

B. Greenhouse gas inventory and assurance status of the Company in the last two years

i. Greenhouse gas inventory information for the two most recent years

With regard to greenhouse gas management, the Company's Taichung Plant and Taipei headquarters have both implemented the ISO 14064-1:2018 Greenhouse Gas Inventory and Management System.

Greenhouse gas emissions at PharmaEssentia Taichung Plant and Taipei Headquarter

(Unit: ton-CO_2 e)

<table>
<tr><th></th><th></th><th></th><th colspan="2">PharmaEssentia Taichung Plant</th><th colspan="2">PharmaEssentia Taipei Headquarter</th></tr>
<tr><th>Item</th><th>ISO14064-1</th><th>Explanation</th><th>2023</th><th>2024</th><th>2023</th><th>2024</th></tr>
<tr><td>Scope 1</td><td>Category 1</td><td>Direct Energy</td><td>690.11</td><td>828.26</td><td>25.99</td><td>82.46</td></tr>
<tr><td>Scope 2</td><td>Category 2</td><td>Electricity from Taiwan Power Company</td><td>2,900.10</td><td>3,080.84</td><td>1,230.93</td><td>1,818.75</td></tr>
<tr><td rowspan="2">Scope 3</td><td>Category 3</td><td>Fuel transportation, upstream raw materials transportation, downstream product transportation, employee commuting, business travel, waste transportation</td><td>122.59</td><td>106.70</td><td>0.63</td><td rowspan="2">496.24</td></tr>
<tr><td>Category 4</td><td>Purchased products, outsourced product processing, services used, waste disposal</td><td>747.02</td><td>819.23</td><td>247.95</td></tr>
<tr><td colspan="3">Total</td><td>4,459.82</td><td>4,835.03</td><td>1,505.50</td><td>2,397.45</td></tr>
</table>

ii. Greenhouse gas assurance information

Explanation of how assurance has been conducted in the most recent two years as of the date of publication of this Annual Report:

Assurance scope: Scope 1, 2, and 3 for 2023 and 2024
Assurance organization: AFNOR Asia Ltd. (French Standardization Association Certification)
Assurance standard: ISO 14064-1:2018
Assurance opinion: Reasonable assurance (Categories 1-2), limited assurance (Categories 3-4)

C. Greenhouse gas reduction targets, strategies, and specific action plans

Item	Implementation Status
Base year for reduction	2022
Base year data	4,264.61 metric tons (Scope 1, 2, and 3)

Item	Implementation Status
Reduction target	Reduce emissions intensity by 24% compared to base year by 2030, achieve net-zero emissions by 2050.
Reduction Strategies and Actions	1. Improve energy efficiency: Invested NT$5.5 million in 2024 into installing energy-saving chilled water equipment and replacing air compressors. 2. Renewable energy: Assessed the feasibility of installing a solar power generation system or participating in carbon trading. 3. Response to environmental impact: (1)Production/Environmental Safety Department: The Company follows our Environmental Protection Policy as an internal guideline for preventing and responding to environmental impact, and has also established a set of Greenhouse Gas Management Procedures. The Company's main production location, the Taichung Plant, is the first location to implement greenhouse gas inventory operations. Through these efforts to improve the resource use efficiency of existing plants, we aim to achieve each stage of our carbon reduction goals. (2)Procurement: Procured goods are assessed based on their material category and geographical origin, and alternative procurement sources incorporated, green supply chains found, or the Company's top five suppliers by annual transaction amount are required to reduce carbon emissions. (3)R&D: Incorporate concepts related to bioengineering or digital transformation technologies to reduce environmental impact, including: ● reducing the materials used (reagents/solvents/reduce the use of toxic substances). ● Manage energy usage and temperatures for equipment/production methods/each production step/each transportation and storage step. ● Use environmentally-friendly and recycled materials. (4)Production: Based on the circumstances, adopt measures to develop automated production. 4. Digitalize administrative operations: Promote the full adoption of paperless systems (such as ELN and Ariba) to reduce carbon footprints from paper use.
Target achievement progress	Greenhouse gas emissions intensity has dropped from 0.87 tCO2e in 2023 to only 0.50 tCo2e in 2024, a decrease of 43% compared to 2023 and exceeding our annual target.

(7) Ethical Corporate Management Practices and Adopted Measures

Assessment item	Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
1. Establishment of ethical corporate management policy and plans				
(1)Has PharmaEssentia formulated the ethical corporate management policies approved by the Board of Directors, and expressed its commitment to the policies and practices of ethical corporate management in the regulations and external documents, as well as the Board and management's commitment to actively implement the operating policy?	✓		(1)PharmaEssentia has formulated the Corporate Governance Best Practice Principles and Ethical Corporate Management Best Practice Principles, which have been approved by the Board of Directors and implemented through the Corporate Governance Best Practice Principles, Code of Ethical Conduct, Procedures for Ethical Management and Guidelines for Conduct, Corporate Social Responsibility Best Practice Principles, and Operational Procedures for Processing Internal Material Information and Preventing Insider Trading. The Board of Directors and management both attach great important to ethical corporate management. Apart from approving and supervising policies, they also continue spreading awareness of ethical corporate management through holding internal meetings, providing training and education, and promoting systems, incorporating ethical corporate management as a core principle for corporate governance and operational decision-making.	None
(2)Has PharmaEssentia established an assessment mechanism for the risks of unethical behavior, regularly analyzed and evaluated business activities with a high risk of unethical	✓		(2)PharmaEssentia has established a risk assessment mechanism where responsible units regularly identify, analyze, and assess the Company's operational activities to establish controls for activities at higher risk of unethical behavior. Through adopting internal controls, hierarchical authorization mechanisms, and auditing operations, we are able to reduce	

Assessment item	Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
behavior, and formulated plans to prevent such behaviors that encompass the prevention measures stipulated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies? (3)Has PharmaEssentia formulated operating procedures, behavioral guidelines, punishment and appeal system for violations or other business activities with a high risk of unethical behavior and implement as well as periodic review of the aforementioned plan?	 ✓		the risk of unethical behavior. PharmaEssentia's directors, managers, employees, or persons with substantial control are strictly prohibited from directly or indirectly providing, promising, requesting or accepting any improper favors, or other acts of unethical behavior that violate integrity, lawfulness, or fiduciary duty. (3)PharmaEssentia has clearly defined such operating procedures and codes of conduct in our internal rules, and has established an anonymous reporting channel where ethical breaches can be reported, ensuring that these violations are handled timely. PharmaEssentia also regularly provides education and training on ethical corporate management and legal compliance to enhance employee awareness of legal compliance, and reviews how systems have been implemented through internal audit mechanisms. These systems are also reviewed and revised regularly following changes in internal or external regulations, and based on how they have been practically implemented, ensuring that our ethical corporate management systems remain effective and continue to be improved.	
2. Implementation of ethical corporate management (1)Does PharmaEssentia evaluate the integrity records of the counterparties	 ✓		 (1)PharmaEssentia's business activities do not involve illegal matters or purposes, and terms of ethical behavior are clearly stipulated in the	 None

Assessment item	Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
and clearly stipulate terms of ethical behavior in the contract signed with counterparties?			contract. For those who have a record of unethical behavior, the person may be demoted, suspended, or removed from the list of qualified suppliers. Additionally, PharmaEssentia has established a Supplier Code of Conduct requiring our suppliers to comply with ethical corporate management practices and relevant laws and regulations when working with PharmaEssentia, in order to jointly maintain a sound business environment.	
(2)Has PharmaEssentia set up a special unit for promoting ethical corporate management under the Board of Directors, which regularly reports to the Board (at least once a year) on its ethical corporate management policies and plans aimed at preventing unethical behavior and supervises the implementation?	✓		(2)The Company has assigned these responsibilities to the General Management Office (hereinafter referred to as the “responsible unit”), which reports to the Board of Directors on these matters. The responsible unit has been provided with the appropriate resources and personnel to create, implement, interpret, and supervise ethical corporate management systems. The unit shall report regularly to the Board of Directors at least once a year, and its responsibilities include the following: A. Help to integrate integrity and ethical values into the Company’s business strategy, and establish measures for preventing fraud pursuant to laws and regulations to ensure ethical corporate management. B. Regularly analyze and assess risks of unethical behavior within the scope of the Company’s business operations, and establish plans to prevent unethical behavior based on these risks. Create a set of standard operating procedures and behavior guidelines for the work operations covered under each plan.	

Assessment item	Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			C. Establish internal organizational plans, staffing plans, and defined responsibilities, and create a system of mutual checks and balances for activities within the Company's business scope at high risk of unethical behavior. D. Promote and coordinate advocacy and training on ethical policies. E. Create a system for reporting unethical behavior, and ensure that the system is implemented effectively. F. Assist the Board of Directors and management in verifying and assessing whether the ethical corporate management measures established are effective, and regularly assess and report on the legal compliance of related business operations. G. Create and securely preserve information documents on the Company's ethical corporate management policies, compliance statements, commitments, and how they have been implemented. The Company has implemented an ethical corporate management policy, and its implementation status in 2025 is as follows: A. The Company has established rules including the Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Code of Ethical Conduct, which have been implemented after approval from the Board of Directors. The Board of Directors and all employees are required to	

Assessment item	Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			comply with these rules, ensuring that no unethical behavior occurs during the course of business operations. Our Japanese subsidiary has also established a separate Corporate Code of Conduct governing the day-to-day work working behavior of employees, and created a work manual describing ethical corporate management and business practices which employees can refer to at all times. These corporate governance procedures and rules can be accessed in the Downloads section of the Company's official website. B. The Company's Ethical Corporate Management Best Practice Principles already clearly stipulates anti-corruption and bribery rules. We also regularly inform and educate our employees on these matters. In 2025, the Company conducted an internal control assessment of corruption risks and found no cases of such behavior. We also found no cases of anti-competitive, antitrust, or monopolistic behavior. The Rules of Procedure for Board Meetings clearly stipulate a conflict of interest recusal system for the Board of Directors and other relevant parties. In the future, we also plan to establish a Legal Compliance Committee, and an ethical corporate management oversight unit reporting to this Committee. C. All employees must comply with the Company's Seven Major Codes of Business Conduct and Ethical Guidelines, which state that the	

Assessment item	Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Company's employees must remain fair and impartial when conducting business operations, and that they must not abuse their job positions for personal gain, or manipulate or misuse information obtained through their position. Our human resources unit has also established systems for reporting specific illegal violations (including corruption) committed by both the Company's internal and external employees. New employees also receive training on business ethics after joining the Company. In 2025, PharmaEssentia had no cases involving violations of our ethical corporate management and corporate code of conduct, and did not receive any reports of violations.	
(3)Does PharmaEssentia have a conflict of interest management policy in place, provide adequate reporting channels, and enforce rules accordingly?	✓		(3)The Company has established policies to prevent conflicts of interest. Directors and managers must disclose any conflicts of interest with proposals that involve either their personal interest, or the interests of the juristic person entities that they represent, when these proposals come up in discussion during Board of Director's meetings. They must recuse themselves from discussion and voting on the proposal, and are prohibited from acting as proxies and voting on behalf of other directors on these proposals, in order to ensure impartial decision-making. Additionally, the Company has also established channels for making reports and complaints where employees or stakeholders can report misconduct, ensuring that we can protect whistleblowers and properly handle reported cases.	

Assessment item	Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(4)Does PharmaEssentia have effective accounting and internal control systems in place to implement business ethics, and does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit systems accordingly to prevent unethical conduct, or engage CPAs to perform such audits? (5)Does PharmaEssentia provide regular internal and external training on ethical corporate management?	✓ ✓		(4)The Company has established a comprehensive accounting and internal control system, and continues to promote systems integration and the computerization of operations to allow each of our management functions to be cross-verified, in turn strengthening our ability to detect anomalies and control risks. The internal audit unit creates an annual audit plan based on the unethical conduct risk assessment results, and regularly audits each operational process and preventive measure to verify their compliance. The audit results are then reported to the Board of Directors and Audit Committee. We work together with CPAs on audits when necessary to ensure that our controls have been effectively implemented. (5)The Company provides regular internal and external training on ethical corporate management, including on topics such as ethical corporate management policies and legal compliance. New employees must receive related training and education upon joining the Company.	
3. Implementation status of PharmaEssentia's whistle-blowing system (1)Does PharmaEssentia have a well established whistleblowing and reward system and an accessible reporting channel in place, and has it	 ✓		 The Company has established a whistle-blowing mailbox on our official website and accepts all reports of unlawful or unethical matters. We have established a dedicated investigation unit responsible for investigating these reports, and assign appropriate personnel to handling and investigating cases	 None

Assessment item	Operations			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
appointed suitable representatives for approaching accused individuals? (2)Does PharmaEssentia have standard operating procedures in place for investigating reports and, when investigations are complete, does it implement follow-up measures and confidentiality measures? (3)Does PharmaEssentia take measures to protect whistleblowers from inappropriate treatment or retaliation?	 ✓ ✓		based on the characteristics of each case. The identity of whistleblowers and the content of the report are also protected and kept confidential. The Company has established standard operating procedures for reported cases. We follow confidentiality principles during the investigation process, and strictly protect the identity of the whistleblower and the content of their report. After completing the investigation, the Company will take appropriate response measures based on the circumstances of each case (such as improving the internal control system, taking disciplinary action, or other necessary measures). Investigation results will also be reported to the Board of Directors or the relevant governance unit when required. Should the investigation discover a common deficiency, the Company will also hold discussions on improving our existing systems to prevent similar incidents from reoccurring. The Company has taken multiple measures to protect whistleblower rights, and have provided appropriate channels for making reports that protect whistleblower rights.	
4. Reinforcing information disclosure (1)Does PharmaEssentia disclose the Ethical Corporate Management Best Practice Principles and its results on	✓		The Company's website features a corporate governance section where we disclose our ethical corporate management policies, ethical operating procedures, and codes of conduct, available for investors and stakeholders to	None

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Operations</th><th rowspan="2">Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>the official website and the Market Observation Post System (MOPS)?</td><td></td><td></td><td>access. Additionally, we also timely disclose material information and regularly submit required reports to the Market Observation Post System pursuant to the regulations of the competent authority, ensuring that we disclose all required information timely and accurately. The Company also continues to optimize the information presented on our website and improve our information disclosure quality. We comply with regulatory requirements to disclose information on the Company’s overall status, financial information, and corporate governance, strengthening external communication and protecting the rights and interests of investors.</td><td></td></tr>
<tr><td colspan="5">5. If PharmaEssentia has formulated ethical corporate management practice principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please state the differences between the two in their operations, if any: None.
6. Other key information useful for explaining status of ethical corporate management practices: PharmaEssentia has formulated Corporate Governance Practice Principles and relevant information can be found under the corporate governance section of the Company website.</td></tr>
</table>

(8) Other important information useful for the understanding of corporate governance practices:

The Company's Board of Directors meets at least once a quarter, and also convenes extraordinary meetings when necessary to address operational issues and make major decisions in a timely manner. The Company's managers and finance officers are present during the meeting to answer questions, ensuring that directors fully understand the Company's operating status and financial information. Additionally, the Chief Internal Auditor attends the Board of Directors and Audit Committee meetings, and regularly reports on the implementation of internal audits and progress made on correcting deficiencies, strengthening the Board's ability to supervise operations. The Audit Committee also reviews and oversees the appropriateness of financial reports, the effectiveness of the internal control system, and compliance with laws and regulations.

(9) Status of implementation of internal control system

A. Internal Control System Statement:

Please refer to the Statement on Internal Control publication page on the Taiwan Stock Exchange Corporation Market Observation Post System website for the Company's 2025 Internal Control System Statement. https://mops.twse.com.tw/mops/#/web/t06sg20.

B. Those who engage a CPA to review the internal control system must disclose the CPA's review report: None.

(10) Important resolutions of the shareholders' meeting and board of directors in the most recent year and up to the publication date of this Annual Report:

A. Items to be resolved by the Shareholders' Meeting and their implementation status

The 2024 Annual General Meeting of Shareholders of PharmaEssentia was held on May 28, 2025, Taipei Nangang Exhibition Center, Hall 1, Conference Room 504 (5F., No. 1, Jingmao 2nd Road, Nangang District, Taipei City). The items resolved during the meeting and their implementation status are as follows:

i. Acknowledgment of the 2024 Annual Business Report and Financial Statements

Implementation status: The Company's consolidated revenue for the year was approximately NT$9,734,814 thousand, with a net profit after tax of NT$2,965,503 thousand and net earnings per share of NT$8.96.

ii. Ratification of the proposed 2024 distribution of earnings.

Implementation status: The Company proposed to distribute stock dividends of NT$366,170,630 and cash dividends of NT$366,170,630 in the 2024 distribution of earnings.

iii. Amendment of the Company’s Articles of Incorporation

Implementation status: Implemented in accordance with the resolution of the shareholders’ meeting.

iv. Proposal for the Company’s Earnings Capitalization and Issuance of New Shares

Implementation status: Implemented in accordance with the resolution of the shareholders’ meeting.

No extraordinary motions were raised at this Annual Shareholders’ Meeting. Please refer to PharmaEssentia’s Annual Shareholders’ Meeting Minutes for the voting results of the shareholders’ meeting.

B. Major resolutions of Board of Directors’ Meetings

Date	Major Resolutions
2025.2.25	1. Proposal to recognize the accounts receivable that were overdue for more than 3 months as of the end of the 4th quarter of 2024 as normal sales, not as an external loan. 2. Review of PharmaEssentia’s 2024 Financial Statements and Business Report 3. The Company’s proposed distribution of earnings in 2024 4. Proposal for the Company’s Earnings Capitalization and Issuance of New Shares 5. The Company’s 2024 distribution of employee and director profit-based rewards 6. Reviewed the annual evaluation of independence of PharmaEssentia’s certified public accountant Ernst & Young. 7. Proposal to re-appoint Ernst & Young for preparing the 2025 financial and tax reports 8. PharmaEssentia’s 2025 CPA Fee Proposal 9. Matters related to the secondary public offering of the Company’s private placement shares 10. Proposal for PharmaEssentia’s 2024 Internal Control System Statement 11. Proposal to Reclaim and Cancel 2024 Q4 Restricted Stock Awards and to Set the Capital Reduction Record Date 12. Proposal on definition of “non-managerial employee” 13. Amendment of the Company’s Articles of Incorporation 14. Proposal for Matters Planned Related to the 2025 Annual General Meeting of Shareholders 15. Review of PharmaEssentia’s 2024 Managerial Officer Performance Evaluation 16. Review of PharmaEssentia’s 2025 Managerial Officers’ Remuneration Adjustment Proposal
2025.5.9	1. It was proposed to recognize the accounts receivable that were overdue for more than 3 months as of the end of the first quarter of 2025 as normal sales, not loaning funds to others.

Date	Major Resolutions
	2. Acknowledgment of PharmaEssentia's Q1 Consolidated Financial Statements of 2025 3. Proposal to Reclaim and Cancel 2025 Q1 Restricted Stock Awards and to Set the Capital Reduction Record Date 4. Amendment to the Company's Internal Control System Procedures for the Nine Major Cycles. 5. Revision of the management regulations of PharmaEssentia 6. Appointment of the Company's Chief Legal Officer
2025.5.19	Proposal on the Company filing a motion with the Higher Regional Court in Frankfurt to set aside the partial final arbitral award received from the International Chamber of Commerce International Court of Arbitration on February 17, 2025.
2025.5.28	Matters related to the secondary public offering of the Company's private placement shares
2025.8.12	1. It was proposed to recognize the accounts receivable that were overdue for more than 3 months as of the end of the second quarter of 2025 as normal sales, not loaning funds to others. 2. Acknowledgment of PharmaEssentia's Q2 Consolidated Financial Statements of 2025 3. Proposal for 2025 Q2 New Share Issuance for the Exercise of Employee Stock Options and the Capital Increase Record Date 4. Determination of the Company's ex-rights date and other related matters 5. Approved the Company's plan to provide a new endorsement and guarantee of KRW 16 billion to our South Korean subsidiary PharmaEssentia Korea Corporation 6. Proposal on establishing British Virgin Islands subsidiary 7. Establishment of the Company's tax policy 8. Proposal on the Company's 2024 Sustainability Report 9. Amendment to the Company's Management Measures for Major Litigation Disputes 10. Proposal on General Manager Hwang, Chan-Kou serving as the Company's Information Security Officer 11. Proposal on Chief Executive Officer Lin, Ko-Chung serving as the General Manager of the Company's U.S. subsidiary 12. The Company's 2024 distribution of manager and employee profit-based rewards
2025.11.4	1. It was proposed to recognize the accounts receivable that were overdue for more than 3 months as of the end of the third quarter of 2025 as normal sales, not loaning funds to others. 2. Acknowledgment of PharmaEssentia's Q3 Consolidated Financial Statements of 2025 3. Establishment of a Shanghai subsidiary

Date	Major Resolutions
	4. The Company’s acquisition of Shanghai Bintie Biotechnology Co., Ltd.’s assets 5. Proposal on the Company’s investment into Taiwan Bio-Manufacturing Corporation (TBMC) 6. Amendment to the Company’s Guidelines for the Management of Transactions with Related Parties, Specific Companies, and Group Enterprises 7. Proposal to add one additional director position to the Company’s U.S. subsidiary 8. Establishment of subscription record date, subscription amount, and subscription payment period for treasury stocks transferred to employees. 9. Relevant matters of PharmEssentia’s issuance of new employee restricted stock awards
2025.12.23	1. Proposal for PharmaEssentia’s 2026 Business Plan and Budget 2. Proposal for PharmaEssentia’s 2026 Audit Plan 3. Proposal to add one additional director position to the Company’s U.S. subsidiary PharmaEssentia USA Corporation 4. Matters related to the Company’s establishment of a Shanghai subsidiary, and a capital increase of US$34 million for the Shanghai subsidiary 5. Amendment to definition of “non-managerial employee” 6. Establishment of subscription record date, subscription amount, and subscription payment period for treasury stocks transferred to employees.

(11) Content in which a major motion of the Board of Directors encountered dissenting opinions from a director or supervisor and is accompanied with records or written statements in the most recent year and up till the time of publication of the Annual Report:

- On November 4, 2025, the Company’s juristic director the Management Committee of the National Development Fund, Executive Yuan expressed a dissenting opinion to the Company’s proposal to acquire the assets of Shanghai Bintie Biotechnology Co., Ltd. Due to the large investment amount required, the director believed that the asset appraisal report used by the Company to make this decision did not sufficiently consider the clinical development risks of the proposed acquiree’s products, and that information on the Shanghai sub-subsidiary to be established through this proposal has not yet been clearly clarified.

4. Information on CPA Fees

(1) When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed.

Unit: NT$ thousands

Name of CPA Firm	CPA Name	Audit Fee	Non-Audit Fee					Audit Period	Remarks
			System Design	Company Registration	Human Resources	Other	Subtotal		
Ernst & Young	Lu, Chain-Uen Chang, Chiao-Ying	4,785	-	-	-	7,290	12,075	2025.1.1~ 2025.12.31	Non-audit fees include fees paid for tax certification and sustainability report consulting services.

(2) When the company changes its CPA firm, and the audit fees paid for the fiscal year of such change are lower than those for the fiscal year prior to the change: None.

(3) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more: None.

5. Information on CPA Changes

(1) Regarding the former CPA: N/A.

(2) Regarding the Successor CPA: N/A.

(3) Former CPA’s Response to Matters Outlined in Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: N/A.

6. PharmaEssentia’s Chairperson, General Manager, or Managerial Officers Responsible for Financial or Accounting Affairs Have Served at the CPA’s Firm or its Affiliated Companies in the Past Year

None.

7. Changes in Share Transfers and Equity Pledges of Directors, Supervisors, Managerial Officers, and Shareholders with over 10% Ownership for the Most Recent Fiscal Year and up to the Annual Report Publication Date.

(1) Changes in shareholding of directors, supervisors, managerial officers, and major shareholders

March 30, 2026; shares

Title	Name	2025		As of March 30, 2026	
		Change +/(−) in Shares Held	Change +/(−) in Shares Pledged	Change +/(−) in Shares Held	Change +/(−) in Shares Pledged
Chairperson and Chief Pharmaceutical Officer	Teng, Ching-Leou	828,792 (246,280)	270,000	33,853 (18,000)	-
Director and Chief Executive Officer	Lin, Ko-Chung	788,025 (116,280)	482,919	54,938	-
Director, General Manager of PharmaEssentia Corporation and Representative of Taichung Branch	Hwang, Chan-Kou	652,839 (23,256)	-	30,524	-
Director	Eon Capital investment account, entrusted to Yuanta Commercial Bank Representative: Hsu, Hsueh-Fang	6,891,453 (6,580,022)	-	- (301,000)	-
Director	Management Committee, National Development Fund, Executive Yuan Representative: Hsiao, Chen-Jung	2,360,125 (558,000)	-	-	-
Director	Chang, Jinn-Der	120,185 (85,288)	-	-	-
Director	Lee, Shen-Yi	345,505 (285,915)	-	- (27,000)	-
Independent Director	Tien, Jien-Heh	219	-	-	-
Independent Director	Hsieh, Ming-Chuan	1,329 (1,000)	-	- (329)	-
Independent Director	Liu, Ching-Tsun	302,862 (272,915)	-	- (9,000)	-
Independent Director	Jeffrey R. Williams	-	-	-	-
Chief Medical Officer	Albert Qin	147,303 (122,000)	-	3,000 (33,342)	-
Chief Scientific Officer	Lin, Lih-Ling	107,591	-	33,292 (4,000)	-
Assitant General Manager of Finance, Accounting, Procurement, and Administration and Corporate Governance Manager	Snow Chang	103,216 (41,629)	-	8,548	-
Chief Legal Officer	Chen, Hsin-Yi (Date of appointment: May 9, 2025)	11,818 (10,386)	-	8,439 (949)	-
Global Chief Commercial Officer	Joseph R.Horvat (Date of dismissal: May 30, 2025)	-	-	-	-

(2) Information on whether the counterparties of share transfers by directors, supervisors, managerial officers, and major shareholders are related parties: None.

(3) Information on whether the counterparties of equity pledges are related parties: None.

8. Information on Whether the Top 10 Shareholders by Shareholding Ratio Are Related Parties, Spouses, or Relatives Within the Second Degree of Kinship

March 30, 2026; Shares; %

Name	Shares Held Personally		Shares Held by Spouse or Minor Children		Shares Held Under Others' Names		Names and Relationships of Individuals or Entities Who are Related Parties, Spouses, or Relatives Within the Second Degree of Kinship to the Top 10 Shareholders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Management Committee, National Development Fund, Executive Yuan	23,868,421	6.28	-	-	-	-	-	-	-
Representative: Hsiao, Chen-Jung	-	-	-	-	-	-	-	-	-
Hongtai Investment Co., Ltd.	9,675,815	2.55	-	-	-	-	Chen, Chao-Ho	Chairperson of this company	-
Representative: Chen, Chao-Ho	4,767,737	1.25	823,476	0.22	-	-	Chen, Han-Cheng Hongtai Investment Co., Ltd.	A relative within the second degree of kinship Chairperson of this company	-
Chen, Han-Cheng	9,464,465	2.49	-	-	-	-	Chen, Chao-Ho	A relative within the second degree of kinship	-
Yu, Rui-Yu	8,174,163	2.15	-	-	-	-	-	-	-
Eon Capital investment account, entrusted to Yuanta Commercial Bank	6,220,453	1.64	-	-	-	-	-	-	-
Representative: Hsu, Hsueh-Fang	-	-	-	-	-	-	-	-	-
Lin, Ko-Chung	5,170,647	1.36	1,442,650	0.38	-	-	-	-	-
Chen, Chao-Ho	4,767,737	1.25	823,476	0.22	-	-	Chen, Han-Cheng Hongtai Investment Co., Ltd.	A relative within the second degree of kinship Chairperson of this company	-
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	4,111,346	1.08	-	-	-	-	-	-	-
Teng, Ching-Leou	3,996,411	1.05	221,946	0.06	-	-	-	-	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	3,885,671	1.02	-	-	-	-	-	-	-

9. The Number of Shares Held by PharmaEssentia, Its Directors, Supervisors, Managerial Officers, and Companies Directly or Indirectly Controlled by PharmaEssentia in the Same Reinvested Company, With the Total Shareholding Ratio Aggregated

December 31, 2025; Unit: thousand shares; %

Re-Invested Company	Investments by PharmaEssentia		Investments by Directors, Supervisors, Managerial Officers, and Companies Directly or Indirectly Controlled by PharmaEssentia		Consolidated Investment	
	Shares	%	Shares	%	Shares	%
PharmaEssentia Asia (Hong Kong) Limited	24,200	100%	-	-	24,200	100%
PharmaEssentia (Hong Kong) Ltd. (Note)	-	-	-	-	-	-
PharmaEssentia Japan KK	327,995	100%	-	-	327,995	100%
PharmaEssentia USA Corporation	32,700	100%	-	-	32,700	100%
PharmaEssentia Korea Corporation	3,205	100%	-	-	3,205	100%
Panco Healthcare Co., Ltd.	10,000	100%	-	-	10,000	100%
PharmaEssentia Singapore Pte. Ltd.	1,438	100%	-	-	1,438	100%
PharmaEssentia Innovation Research Center, Inc	1,650	100%	-	-	1,650	100%
PharmaEssentia Global Ltd.	-	-	-	-	-	-
AcadeMab Biomedical Inc.	4,000	7.89%	-	-	4,000	7.89%

Note 1: To expand into the Mainland China, the Company established a wholly-owned company, PharmaEssentia (Hong Kong) Co., Ltd., in 2013. As of December 31, 2025, PharmaEssentia (Hong Kong) has only completed the incorporation process. The Company has not yet issued shares.

Note 2: In 2025, the Company established a wholly-owned company, PharmaEssentia Global Ltd., in the British Virgin Islands. As of December 31, 2025, the Company had only completed the incorporation process, and had not yet transferred share capital.

III. Information on Capital Raising Activities

1. Capital and Shares

(1) Sources of Share Capital

March 30, 2026; Unit: thousands; thousand shares

Year/Month	Issue Price (NT$)	Authorized Share Capital		Paid-in Share Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Share Capital	Paid with Non-Cash Assets	Other
2025/3	74/88/45	400,000	4,000,000	341,947	3,419,471	NT$1,597 thousand from conversion of stock warrants, (NT$40 thousand) employee restricted stock awards cancelled	-	Jing-Shou-Shang-Zi No. 11430028120 dated March 12, 2025
2025/5	45	400,000	4,000,000	342,170	3,421,701	NT$2,280 thousand from conversion of stock warrants, (NT$50 thousand) restricted stock awards cancelled	-	Jing-Shou-Shang-Zi No. 11430067260 dated May 23, 2025
2025/9	45	800,000	8,000,000	342,182	3,421,821	NT$120 thousand from conversion of stock warrants	-	Jing-Shou-Shang-Zi No. 11430133570 dated September 3, 2025
2025/10	10	800,000	8,000,000	378,799	3,787,992	Capitalization of profits of NT$366,171 thousand	-	Jing-Shou-Shang-Zi No. 11430160250 dated October 7, 2025
2025/11	40.5/44.9/45	800,000	8,000,000	379,354	3,793,547	NT$5,555 thousand from conversion of stock warrants	-	Jing-Shou-Shang-Zi No. 11430179280 dated November 12, 2025
2025/12	67.15	800,000	8,000,000	379,629	3,796,293	NT$2,746 thousand from issue of employee restricted stock awards	-	Jing-Shou-Shang-Zi No. 11430193980 dated December 27, 2025
2026/3	40.5	800,000	8,000,000	379,909	3,799,093	NT$3,100 thousand from conversion of stock warrants, (NT$20 thousand) and (NT$280 thousand) from reclaiming employee restricted stock awards and treasury stock, respectively	-	Jing-Shou-Shang-Zi No. 11530029640 dated March 12, 2026

(2) Stock Type

March 30, 2026; shares

Stock Type	Authorized Share Capital				
	Shares Outstanding			Shares Unissued	Total
	Listed (Note)	Unlisted	Subtotal		
Common stock	379,924,370	-	379,924,370	420,075,630	800,000,000

Note: Including 15,000 shares of common stock converted from employee stock options exercised in the first quarter of 2026 but not yet registered for change, 8,000 shares of restricted stock awards issued in the first quarter of 2026 that are still pending cancellation and treasury shares.

(3) Information on Shelf Registration: N/A.

(4) Composition of Shareholders

March 30, 2026

Composition of Shareholders	Government Agencies	Financial Institutions	Other Institutions	Foreign Institutions and Foreigners	Individuals	Treasury Stock	Total
Number of People	1	17	260	725	47,226	1	48,230
Number of Shares Held	23,868,421	1,846,872	30,792,115	82,397,314	233,010,648	8,009,000	379,924,370
Shareholding %	6.28%	0.49%	8.10%	21.69%	61.33%	2.11%	100.00%

(5) List of Major Shareholders

March 30, 2026

Major Shareholders	Number of Shares Held	Shareholding %
Management Committee, National Development Fund, Executive Yuan	23,868,421	6.28%
Hongtai Investment Co., Ltd.	9,675,815	2.55%
Chen, Han-Cheng	9,464,465	2.49%
Yu, Rui-Yu	8,174,163	2.15%
Eon Capital investment account, entrusted to Yuanta Commercial Bank	6,220,453	1.64%
Lin, Ko-Chung	5,170,647	1.36%
Chen, Chao-Ho	4,767,737	1.25%
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	4,111,346	1.08%
Teng, Ching-Leou	3,996,411	1.05%
JPMorgan Chase Bank N.A., Taipei ranch in custody for Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	3,885,671	1.02%

(6) Dividend Policy and Implementation Status

A. Dividend Policy in the Articles of Incorporation

In view of the environment the Company faces and its stages of growth, the Company, in an attempt to facilitate the development and expansion of its operations, shall take into account future capital expenditure budgets and demand for funds when distributing earnings. When paying stock dividends, no less than 10% of the distributable earnings as of this period shall be allocated as shareholders' bonuses (including cash and stocks). Among them, cash dividend shall account for no less than 10% of total dividends in principle.

B. Proposal to Distribute Dividend for the Fiscal Year

On March 2, 2026, the Company's Board passed a resolution proposing the distribution of stock dividends of NT$408,269,330, at NT$1.1 per share, and cash dividends of NT$556,730,908, at NT$1.5 per share, from the distributable earnings for 2025. The Chairperson is also authorized to set the ex-dividend record date and handle related matters regarding the cash distribution.

(7) Impact of Proposed Stock Dividend Issuance on the Company's Business Performance and Earnings Per Share for the Fiscal Year: The Company has not published a full financial forecast, so this disclosure is not required.

(8) Profit-Based Rewards for Employees and Directors

A. Percentage or scope of profit-based rewards provided in the Articles of Incorporation

If the Company sustains a profit for the year (i.e., profit before employee and director profit-based rewards are deducted from profit before tax, after cumulative losses are reimbursed): not less than 1% of the profit shall be set aside as employee profit-based rewards and not more than 5% of the profit as director profit-based rewards. Additionally, no less than 0.5% will be allocated as a salary adjustment or profit-based rewards distribution to non-managerial employees.

The employee and non-managerial employee profit-based rewards described above may be distributed in either stock or cash, and recipients include the Company's employees who fit certain specified criteria. Profit-based rewards for directors shall only be distributed in cash. The distribution ratio of profit-based rewards distributed to employees, non-managerial employees, and directors, as well as the method of distributing employee profit-based rewards in the form of shares or cash, shall be resolved by a majority vote at a meeting attended by at least two-thirds of all directors. The resolution shall also be reported at the shareholders' meeting.

B. Basis for estimating the profit-based reward amount of employees, directors, and supervisors, calculating the number of shares to be distributed as employee profit-based rewards, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the period:

i. On March 2, 2026, the Company's Board of Directors approved the distribution of 2.55% as employee profit-based rewards, with 0.5% as profit-based rewards for non-managerial employees, and 0.80% as directors' profit-based rewards.

ii. Any discrepancy between the actual amount of employee profit-based rewards distributed and the estimated amount shall be handled in accordance with changes in accounting estimates.

C. Profit-based rewards distribution approved by the Board:

On March 2, 2026, the Company's Board proposed the distributions of employee profit-based rewards of NT$126,615,423 in cash and director profit-based rewards of NT$39,600,000 in cash.

The amount of any employee profit-based rewards distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company-only financial reports or individual financial reports for the period and total employee profit-based rewards: None.

D. The actual distribution of employee, director, and supervisor profit-based rewards for the previous fiscal year (including the number of shares, monetary amount, and stock price of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-based rewards, state the difference, cause, and how it was handled: There were no differences in the amounts for the employee and directors' profit-based rewards described above as specified in the Board of Directors distribution resolution, and the expenses recognized for these rewards in 2025.

(9) Repurchase of the Company's Shares:

Phase of repurchase	1st Repurchase in 2020	1st Repurchase in 2021	1st Repurchase in 2023	2nd Repurchase in 2023
Date of resolution of the board of directors	2020/10/28	2021/1/6	2023/05/24	2023/7/28
Purpose of repurchase	Transfer to employees	Transfer to employees	Transfer to employees	Transfer to employees
Scheduled buyback period	2020/10/29~ 2020/12/27	2021/1/7~ 2021/3/5	2023/5/25~ 2023/7/21	2023/7/31~ 2023/9/29
Type and quantity of shares scheduled for repurchase	Common stock 3,200,000 shares	Common stock 1,500,000 shares	Common stock 5,000,000 shares	Common stock 4,000,000 shares
Scheduled buyback interval price	NT$57 – NT$126	NT$64 – NT$112	NT$330 – NT$450	NT$350 – NT$450
Actual repurchase period	2020/10/29~ 2020/12/25	2021/1/8~ 2021/3/5	2023/5/26~ 2023/7/21	2023/7/31~ 2023/9/28
Type and quantity of repurchased shares	Common stock 2,935,000 shares	Common stock 904,000 shares	Common stock 4,001,000 shares	Common stock 4,000,000 shares
Amount of shares repurchased	NT$257,384,659	NT$87,501,582	NT$1,366,174,026	NT$1,351,418,596

Phase of repurchase	1st Repurchase in 2020	1st Repurchase in 2021	1st Repurchase in 2023	2nd Repurchase in 2023
Ratio of already repurchased shares to total shares planned to be repurchased	91.72%	60.27%	80.02%	100%
Average repurchase price per share	87.69	NT$96.79	NT$341.46	NT$337.85
Number of shares transferred	2,935,000 shares	876,000 shares	None	None
Cumulative number of shares held by the Company	0 shares	0 shares	4,001,000 shares	8,001,000 shares
Proportion of cumulative number of shares held by the Company to the total outstanding shares (%)	0%	0%	1.05%	2.11%

2. Issuance of Corporate Bonds

None.

3. Issuance of Preferred Shares

None.

4. Issuance of Global Depositary Receipts

<table>
<tr><td colspan="3">Issue (Process) Date
Item</td><td>April 18, 2023</td></tr>
<tr><td colspan="3">Issue (Process) Date</td><td>April 18, 2023</td></tr>
<tr><td colspan="3">Issuance and Exchange Location</td><td>Luxembourg Stock Exchange</td></tr>
<tr><td colspan="3">Total Amount Issued</td><td>US$462,740,000</td></tr>
<tr><td colspan="3">Issue Price per Unit</td><td>US$13.61</td></tr>
<tr><td colspan="3">Total Units Issued</td><td>34,000,000 units</td></tr>
<tr><td colspan="3">Source of the Securities Represented</td><td>Follow-on public offering through the issuance of new common shares</td></tr>
<tr><td colspan="3">Amount of the Securities Represented</td><td>34,000,000 shares</td></tr>
<tr><td colspan="3">Rights and Obligations of the Depositary Receipt Holders</td><td>Each unit of global depositary receipt represents one share of the Company’s common stock. Holders of global depositary receipts enjoy the same treatment as those of the already issued common stock.</td></tr>
<tr><td colspan="3">Trustee</td><td>N/A</td></tr>
<tr><td colspan="3">Depositary Institution</td><td>Citibank, N.A.</td></tr>
<tr><td colspan="3">Custodian</td><td>Citibank Taiwan Limited.</td></tr>
<tr><td colspan="3">Unredeemed Balance</td><td>0 units</td></tr>
<tr><td colspan="3">Allocation of Expenses Incurred During Securities Issuance and Existence</td><td>Borne by the issuing company</td></tr>
<tr><td colspan="3">Important Matters Agreed in Depositary and Custody Agreements</td><td>Please refer to the depositary and custody agreements.</td></tr>
<tr><td rowspan="3">Market Price per Unit</td><td rowspan="3">As of December 31, 2025 of the fiscal year</td><td>Highest</td><td>$25.326</td></tr>
<tr><td>Lowest</td><td>$14.127</td></tr>
<tr><td>Average</td><td>$17.242</td></tr>
</table>

5. Status of Employee Stock Option Plan

(1) Status of Employee Stock Option Plan

A. Compensation Plans for Employee Stock Options Issued by the Company

March 30, 2026

Type of Employee Stock Options	1st Issuance of Employee Stock Options in 2021
Effective Date of Filing	2021.6.24
Issue (Process) Date	1st issuance, 1st tranche of 2021
Units Issued	3,000,000 units (1st issuance, 1st tranche of 2021)
Ratio of Shares to be Subscribed to Total Shares Issued	1.08%
Subscription Period	7
Contract Execution Method	Issuance of new shares of common stock
Restricted Stock Subscription Period and Ratio (%)	The cumulative proportion of stock options exercisable starting 2 years after the grant period expires: 50% The cumulative proportion of stock options exercisable starting 3 years after the grant period expires: 75% The cumulative proportion of stock options exercisable starting 4 years after the grant period expires: 100%
Number of Exercised Shares Acquired	2,271 thousand shares
Amount Paid for Exercised Stock Options	NT$100,165 thousand
Number of Unexercised Stock Options	220 thousand shares
Subscription Price per Share for Unexercised Stock Options	NT$40.5
Ratio of Unexercised Stock Options to Total Shares Issued	0.06%
Impact on Shareholders' Equity	The purpose of this stock warrant is to attract and retain the talents needed by the company, motivate employees, and improve team cohesion, aiming to jointly create benefits for the company and its shareholders. The unexercised stock options account for 0.06% of the total issued shares, which has no significant impact on the level of equity dilution.

B. Names, Acquisition Details, and Subscription Status of Managerial Officers Who Have Been Granted Employee Stock Options and the Top 10 Employees by Number of Stock Options Granted

December 31, 2025; Unit: Shares; NT$

	Title	Name	Number of Stock Options Acquired (Shares)	Ratio of Stock Options Acquired to Total Shares Issued	Exercised				Unexercised			
					Number of Shares Subscribed (Shares)	Subscription Price (NT$)	Subscription Amount (NT$)	Ratio of Shares Subscribed to Total Shares Issued	Number of Shares Subscribed (Shares)	Subscription Price (NT$)	Subscription Amount (NT$)	Ratio of Shares Subscribed to Total Shares Issued
Managers	Chief Executive Officer	Lin, Ko-Chung	2,233,000	0.59%	2,233,000	74/88/45	138,290,800	0.59%	0	0	0	0%
	Chief Pharmaceutical Officer	Teng, Ching-Leou										
	General Manager	Hwang, Chan-Kou										
	Chief Medical Officer	Albert Qin										
	Assitant General Manager of Finance, Accounting, Procurement, and Administration and Corporate Governance Manager	Snow Chang										
Employee	Senior Scientific Fellow	Luan, Yen-Tung	958,000	0.25%	731,000	74 and 88 and 45 and 44.9 and 40.5	39,451,000	0.19%	196,000	40.5	7,938,000	0.05%
	Executive Vice President	Toshiaki Sato										
	Vice President, Business Operations & Strategy	Samuel Lin										
	Plant Director	Zheng, Zhao-Sheng										
	VP of Operation	Hong, Gang-Yi										
	General Manager	HakSun Moon										
	Medical Affairs Director	KeeWon Kim										
	Senior Manager	Zhao, Jian-Hua										
	Deputy Section Chief	Huang, Ting-Yu										
	Deputy Plant Director	Zhao, Yan-Kai										

(2) Status of Any Private Placement of Employee Stock Options During the 3 Most Recent Fiscal Years

None.

6. Status of Restricted Stock Awards

(1) Status of Restricted Stock Awards

March 30, 2026

Type of Restricted Stock Awards	2025 Restricted Stock Awards
Effective Date of Filing	Resolved and approved at the Annual General Meeting of Shareholders on May 27, 2024; approved and recorded as effective by the Financial Supervisory Commission via Jin-Guan-Zheng-Fa-Zi No. 1140339226 dated April 15, 2025.
Issue Date	November 6, 2025
Number of Restricted Stock Awards Issued	275 thousand common shares
Issue Price	NT$51/share
Ratio of issued restricted stock award shares to total issued shares	0.07%
Conditions for Vesting of Restricted Stock Awards	Indicator A: The Company's overall operating performance (70%) • A1: The consolidated net operating profit for the quarter following the issue date is positive, as audited (reviewed) by a CPA (10%) • A2: The consolidated financial statements for the entire year shows a positive profit, as audited by a CPA (30%) • A3: Cumulative operating revenue since the issue date has reached NT$10 billion (15%) • A4: Cumulative operating revenue since the issue date reached NT$15 billion (15%). Indicator B: Employee retention (30%) • B1: Still employed at the Company one year after the issue date of restricted stock awards (15%) • B2: Still employed at the Company two years after the issue date of restricted stock awards (15%)
Restrictions on the Rights of Restricted Stock Awards	1. Employees shall not sell, pledge, transfer, gift, set as guarantee, or otherwise dispose of in any form the restricted stock awards. 2. Voting rights at shareholders' meetings: Same as those of the other common shares of the Company. 3. Shareholders' subscription and dividend rights: Same as those of the other common shares of the Company. However, any shares or dividends allocated must also be entrusted to a trust.
Custody of Restricted Stock Awards	Before the vesting conditions are met, the restricted stock awards shall be held in custody of a stock trust. When the new shares are allocated, it shall be deemed that the employee with the new shares allotted has authorized the Company to sign or amend any trust-related contracts or agreements on their behalf.
Measures To Be Taken When Vesting Conditions Are Not Met	1. Voluntary resignation: Any restricted stock awards that do not meet the vesting conditions are considered unvested on the date of an employee's resignation. The Company will repurchase the shares at the original issue price in accordance with the law and cancel them.

	2. Other types of employment termination (including but not limited to termination of employment contract, dismissal, and severance without notice): Unless otherwise regulated in these Rules, should the employment relationship between the Company and the employee be terminated for reasons other than those mentioned above, the Company will repurchase the restricted stock awards determined to have not met vesting conditions on the date of termination of the employment contract at the original issue price in accordance with the law, and cancel them. 3. Retirement: Any restricted stock awards that do not meet the vesting conditions are considered unvested on the effective date of an employee's retirement. The Company will repurchase the shares at the original issue price in accordance with the law and cancel them. However, the Board may, after considering the employee's special achievements and overall contribution, grant partial or all of the restricted stock awards that do not meet the vesting conditions. 4. Unpaid leave and parental leave: Employees approved by the Company for unpaid leave or parental leave have their restricted stock awards not meeting the vesting conditions reinstated upon resuming work, provided that the vesting period is deferred according to the period of unpaid leave taken. <Example 1>: Employee A was granted a one-year unpaid leave of absence on May 1, 2024. Should their rights to restricted stock awards (hereinafter referred to as "X shares") which have not yet met vesting conditions on the date of their leave of absence meet vesting conditions on August 1, 2024, Employee A would regain the rights to these stock awards when they return to work on May 1, 2025, and these X shares would be determined to meet vesting conditions on a later date of August 1, 2025 instead. 5. General death: General death refers to death other than those caused by occupational injuries as set forth in Article 5, Paragraph 4, Subparagraph 7. Any restricted stock awards that do not meet the vesting conditions are considered unvested on the date of death. The Company will repurchase the shares at the original issue price in accordance with the law and cancel them. 6. Employees who are physically disabled due to occupational injuries and are unable to continue their employment: If an employee becomes physically disabled due to an occupational injury and is unable to continue their employment, the restricted stock awards that do not meet the vesting conditions will vest proportionally in accordance with the vesting schedule as set forth in this Article. <Example 2>: Employee B was allocated rights to restricted stock awards on May 1, 2024. Subsequently, they became handicapped and unable to continue working due to an occupational disaster, and left the Company on July 1. These restricted stock awards (hereinafter referred to as "Y shares") have not yet vested on the date that they left the Company. If these restricted stock awards only meet vesting conditions on November 1, 2024, only the following proportion of these Y shares will become vested: (Period of employment for employee allocated restricted new shares / Period when vesting conditions for Y new shares are met) * Y new shares = (1/3) * Y new shares 7. Employees who die from occupational injuries: If an employee dies due to an occupational injury, the restricted stock awards that do not meet the vesting conditions will be inherited by the heirs of the deceased employee and vest proportionally in accordance with

	the vesting schedule as set forth in this Article, effective from the date of death. (Refer to the above paragraph & LT; Example 2>) 8. Transfer: If an employee voluntarily transfers to an affiliate or another company, the restricted stock awards that do not meet the vesting conditions shall be handled according to the procedure for voluntary resignation. However, if the transfer is required for the operation of the Company, the restricted stock awards granted to employees who are transferred by the Company to an affiliate or another company remain unaffected by the transfer. 9. For restricted stock awards that do not meet the vesting conditions (including those unvested due to the reasons listed in the preceding paragraphs), the Company will repurchase the shares at the original issue price in accordance with the law and cancel them. However, the employee is not required to return or pay back the dividends derived from the restricted stock awards. 10. If an employee violates Article 6, Paragraph 1 before meeting vesting conditions, the Company has the right to repurchase all restricted stock awards that do not meet the vesting conditions at the original issue price and cancel them. 11. For issued shares that are reclaimed or repurchased in accordance with the aforementioned provisions, the Company shall apply for capital change registration with the competent authority at least once every quarter. 12. When applying these Rules to an employee of a foreign company, the subparagraphs of Paragraph 4 of this Article shall be applied by analogy when this employee fails to meet vesting conditions or inherits restricted stock awards. If applying these Rules by analogy as described above results in there being no provision applicable to the situation, there being multiple applicable provisions, or there being a dispute over which provision is applicable, the Board of Directors or Chairperson, if authorized to do so, shall make a decision on the case after taking each individual factor into consideration.
Impact on Shareholders' Equity	Based on there being 341,947,141 total issued shares (including 8,905,000 treasury shares) as of April 15, 2025 (the date approved by the competent authority), the estimated impact on earnings per share (EPS) for the years 2025 to 2028 is NT$0.68, NT$1.88, NT$1.71, and NT$0.24, respectively. In summary, the overall evaluation shows that the potential dilution of the Company's EPS is limited, and therefore, there is no material impact on shareholders' equity.
Number of Restricted Stock Awards Reclaimed or Repurchased	4,000 shares
Number of Unrestricted Stock Awards	0 shares
Number of Restricted Stock Awards	270,666 shares
Ratio of Restricted Stock Awards to Total Shares Issued (%)	0.07%

(2) Names and Acquisition Details of Managerial Officers Who Have Been Granted Restricted Stock Awards and the Top 10 Employees by Restricted Stock Awards Granted

December 31, 2025; Unit: Shares; NT$

	Title	Name	Number of Stock Options Acquired (Shares)	Ratio of Restricted Stock Award Shares Granted to Total Shares Issued	Unrestricted Rights				Restricted rights			
					Number of Unrestricted Shares	Issue Price (NT$)	Issue Amount (NT$)	Ratio of Unrestricted Shares to Total Shares Issued	Number of Restricted Shares	Issue Price (NT$)	Issue Amount (NT$)	Ratio of Restricted Shares to Total Shares Issued
Managers	Chief Executive Officer	Lin, Ko-Chung	1,072,000	0.08%	901,000	136/102	121,176,000	0.24%	171,000	136/51	20,536,000	0.05%
	Chief Pharmaceutical Officer	Teng, Ching-Leou										
	General Manager	Hwang, Chan-Kou										
	Chief Medical Officer	Albert Qin										
	Assitant General Manager of Finance, Accounting, Procurement, and Administration and Corporate Governance Manager	Snow Chang										
	Chief Legal Officer	Chen, Hsin-Yi										
	Chief Scientific Officer	Lin, Lih-Ling										
Employee	Director, Operations and Data Science	Tingwei Lin	500,667	0.13%	370,333	136/102/51	47,191,983	0.10%	130,334	136/102/51	13,532,034	0.03%
	Vice President, Business Operations & Strategy	Sam Lin										
	Plant Director	Zheng, Zhao-Sheng										
	Senior Director, Immunology and Pharmacology	Huang, Kuan-Chun										
	Deputy Plant Director	Zhao, Yan-Kai										
	Senior Manager	Wang, Shih-Chu										
	Director	Liu, Ying-Hong										
	General Manager	Peggy Loh										
	Head of Medical	Drew Bernstein										
	VP, Head of Legal and Compliance	Beth Krewson										

7. New Share Issuance for Mergers or Acquisition of Shares from Other Companies

None.

8. Financial Plans and Implementation

As of the fourth quarter of 2025, the status and utilization of funds of PharmaEssentia's previous public offerings, issuances, and private placements of securities are as follow:

Cash capital increase by issuance of new shares in 2022

(1) Content of the plan

A. Total amount of capital required for the plan: NT$6,813,600 thousand (including the excess NT$13,600 thousand attributable to the change of the actual offering price).

B. Funding source:

For cash capital increase, PharmaEssentia issued 16,700 thousand shares of common stock; the par value was NT$10 per share, and the shares were issued at a premium, with an offering price of NT$408, and the total capital raised was NT$6,813,600 thousand. The excess NT$13,600 thousand attributable to the change of the actual offering price will be put into working capital.

C. Plan items, status of capital allocation, and expected benefits:

i. Plan items and status of capital allocation

Unit: NT$ thousands

Plan	Expected Completion Date	Total Capital Required	Planned Capital Allocation									
			2022	2023				2024				2025
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Building Plant-Zhubei Plant	Q1 of 2025	4,010,000	378,334	395,834	395,833	515,833	515,833	595,833	407,500	407,500	327,500	70,000
Purchase of equipment-Zhubei Plant	Q1 of 2025	1,086,735	-	44,480	286,766	60,155	56,155	-	32,155	32,155	287,435	287,434
Building Plant-Taichung Houli Plant	Q3 of 2024	1,207,265	116,667	159,525	134,524	134,524	134,523	134,523	116,490	196,489	80,000	-
Purchase of equipment-Taichung Houli Plant	Q1 of 2025	496,000	-	-	198,400	-	-	-	-	-	148,800	148,800
Addition of working capital	Q3 of 2023	13,600	-	-	-	13,600	-	-	-	-	-	-
Total		6,813,600	495,001	599,839	1,015,523	724,112	706,511	730,356	556,145	636,144	843,735	506,234

ii. Expected benefits

The capital increase of $6,800,000 thousand in 2022 was mainly used to finance the construction of the Zhubei and Taichung Houli plants and their machinery and equipment. PharmaEssentia is an R&D company focused on the development of therapeutic proteins, and has successfully developed

Ropeg through the development of an innovative PEGylation technology that couples PEG with protein. Ropeg has been approved for the treatment of PV in the European Union, Taiwan, Switzerland, Israel, and South Korea since 2019, and received U.S. regulatory approval in November 2021. PharmaEssentia has also initiated a global clinical trial for ET and expects to complete the Phase III human trial in 2024 to collect data on primary endpoints. After completion of the clinical trial, PharmaEssentia will submit regulatory approval applications in countries including the United States, Taiwan, Japan, South Korea, and China and anticipates to obtain the approval in 2025. Considering the above-mentioned needs, PharmaEssentia's production capacity may become increasingly insufficient. Therefore, in view of the long-term development of PharmaEssentia, we plan to construct the Houli Plant in Taichung and the Zhubei Plant for the production of Ropeg to support the future development of the operation.

PharmaEssentia intends to build two plants and plans to use the Houli plant in Taichung for the chemical process to produce PEG, and the Zhubei plant for the biological process including the production of interferon and coupling with PEG to generate long-acting interferon, i.e. drug substance of Ropeg (hereafter referred to as DS which is the active ingredient of the drug), and DS will then be filled into injections for sale. Considering the Houli plant in Taichung and Zhubei plant will produce PEG and DS, which are major processing of Ropeg, PharmaEssentia expects that the tender and construction of the two plants will commence in the fourth quarter of 2022, and the installation of machinery and equipment will commence in the third quarter of 2024. The trial production, process validation and FDA inspection will be conducted in the first quarter of 2025. The new plant is expected to start contributing revenue in 2026.

The Company's Houli Plant in Taichung and Zhubei Plant are intended for different processing needs required by Ropeg and therefore the benefits of construction for these two plants are evaluated together. Based on the capital required for construction of the new plants and purchase of equipment, NT$6,800,000 thousand, except for the amount for Ropeg production, the drug license of Ropeg with indication for the treatment of PV is expected to be granted in 2025 in various countries for sale. In addition, considering the estimated number of PV and ET patients in various countries, the estimated number of shots administered, current drug prices and drug price trends, the payback period for the two plants is estimated to be 4.22 years starting from the fourth quarter of 2022.

Also, the actual amount of capital raised, NT$6,813,600 thousand, was higher than the required amount required for the plan, namely NT$6,800,000 thousand. The excess attributable to the change of offering price, NT$13,600 thousand, will be put into working capital and the increased capital will be used for replenishing operating capital and strengthen capital structure.

D. Changes to the plan, reasons for changes, and benefits before and after the changes:

No change was made to the plan at this time.

(2) Implementation status:

<table>
<tr><th>Plan</th><th colspan="2">Implementation Status</th><th>As of the End of 2025</th><th>Reasons for ahead of or fall behind of the plan and improvement plans</th></tr>
<tr><td rowspan="4">Building Plant-Zhubei Plant</td><td rowspan="2">Amount spent</td><td>Planned</td><td>4,010,000</td><td rowspan="4">PharmaEssentia issued an invitation to bid for civil engineering as planned in August 2022. However, due to the following interface management issue, the invitation to bid was changed to joint invitation to bid for civil engineering and five major pipeline engineering, and the new engineering contract was signed in March 2023 while the related basic engineering remains ongoing. The installation of exterior wall sandwich panels and aluminum panels is currently ongoing, and payments have been made for pipeline construction. The project is proceeding as planned.</td></tr>
<tr><td>Actual</td><td>2,506,869</td></tr>
<tr><td rowspan="2">Implementation Status (%)</td><td>Planned</td><td>100</td></tr>
<tr><td>Actual</td><td>62.51</td></tr>
<tr><td rowspan="4">Purchase of equipment-Zhubei Plant</td><td rowspan="2">Amount spent</td><td>Planned</td><td>1,086,735</td><td rowspan="4">Related procurement and installation operations will proceed in accordance with the construction of the Zhubei Plant. Equipment required for supporting systems with long lead times have been ordered and are in production. Process equipment with medium lead times are gradually being ordered, and will be installed based on the process renovation schedule.</td></tr>
<tr><td>Actual</td><td>217,468</td></tr>
<tr><td rowspan="2">Implementation Status (%)</td><td>Planned</td><td>100</td></tr>
<tr><td>Actual</td><td>20.01</td></tr>
<tr><td rowspan="4">Building Plant-Taichung Houli Plant</td><td rowspan="2">Amount spent</td><td>Planned</td><td>1,207,265</td><td rowspan="4">Due to adjustments to the Zhubei Plant’s construction schedule, the project is running behind the original schedule. Consultants have been hired to</td></tr>
<tr><td>Actual</td><td>25,634</td></tr>
<tr><td rowspan="2">Implementation Status (%)</td><td>Planned</td><td>100</td></tr>
<tr><td>Actual</td><td>2.13</td></tr>
</table>

Plan	Implementation Status		As of the End of 2025	Reasons for ahead of or fall behind of the plan and improvement plans
				create plans for the plant site, and architects have been engaged to create construction plans and oversee the design process. At the moment, we have finished applying to the Taichung City Government for a construction permit, and to the Central Taiwan Science Park Administration for a preliminary landscape inspection.
Purchase of equipment-Taichung Houli Plant	Amount spent	Planned	496,000	In the future, relevant operations such as procurement and installation will proceed in accordance with the construction of the Taichung plant.
		Actual	-	
	Implementation Status (%)	Planned	100	
		Actual	-	
Addition of working capital	Amount spent	Planned	13,600	All the funds have been fully expended.
		Actual	13,600	
	Implementation Status (%)	Planned	100	
		Actual	100	
Total	Amount spent	Planned	6,813,600	
		Actual	2,763,571	
	Implementation Status (%)	Planned	100%	
		Actual	40.55%	

(3) Benefit analysis

A. Improve capital structure

Item \ Year		The end of September, 2022 (Before cash capital increase)		The end of December, 2022 (After cash capital increase)	
		Consolidated	Individual company only	Consolidated	Individual company only
Financial structure	Debt ratio (%)	27.14	37.51	20.82	25.23
	Ratio of long-term capital to real estate property, plants and equipment (%)	1,313.04	1,791.28	2,348.35	2,983.92
Liquidity	Current ratio (%)	463.21	918.95	486.16	1,975.81
	Quick ratio (%)	369.19	799.50	435.33	1,780.33

PharmaEssentia increased capital cash in 2022 for building of plants in Zhubei City and Houli and purchase of equipment and replenishing operating capital. The consolidated and individual debt to total assets ratio of PharmaEssentia by the end of December 2022 after capital increase was 20.82% and 25.23%, a reduction of 27.14% and 37.51%, respectively, compared with that at the end of September 2022. The ratio of long-term capital to real estate property, plants and equipment (%), current ratio and quick ratio all showed significant increase after capital increase. PharmaEssentia has indeed strengthened its financial structure after the capital increase in 2022.

B. Building of plants in Zhubei City and Houli and purchase of equipment

PharmaEssentia adjusted the estimated number of sales and amount of sales in year 2026, and the payback period was adjusted from 4.22 years to 4.04 years according to the actual sales of the new drug and adjusted group sales strategies. Since February 2019, Ropeg has been successfully launched in regions such as the European Union, the United States, Taiwan, Japan, South Korea, and China, which has substantially boosted PharmaEssentia's revenue. According to the 2025 financial statements audited and certified by the CPAs, PharmaEssentia reported a consolidated revenue of NT$15,634,777 thousand in the fiscal year 2025, an increase of 60.61% compared to NT$9,734,814 thousand in the same period last year, indicating that the sales performance of Ropeg continues to improve. Based on the Company's current Ropeg sales performance, the status of obtaining drug certificates in various countries, and the Company's business and product development progress, the benefits of the Company's construction of the Zhubei and Taichung Houli Plants and their machinery and equipment should become increasingly evident.

Increase of capital cash by issuance of new shares for overseas depositary receipts for 2023

(1) Content of the plan

A. Total amount of capital required for the plan: NT$15,247,500 thousand, equivalent to US$500,000 thousand (calculated based on an exchange rate of NT$30.495:US$1).

B. Funding source:

i. Raised through follow-on offering by issuance of new shares for global depositary receipts, and each global depositary receipt represents one common share of PharmaEssentia. The total number of shares to be issued is expected to be 25,000 thousand shares to 34,000 thousand shares, and the raised amount was estimated to range from US$340,250 thousand to US$462,740 thousand (based on NT$415 per share and an exchange rate of

NT$30.495:US$1).

ii. The total funding required for this plan of PharmaEssentia is NT$15,247,500 thousand and will be paid by the funds of NT$14,111,256 thousand raised from this plan and the self-owned funds of NT$1,136,244 thousand.

iii. In the event that the capital raised is insufficient to pay for the projects due to variation in the number of shares issued by new stocks or global depositary receipts or adjustments made to the share price due to market changes, the amount of shortage will be paid by bank loan, self-owned assets, or funds raised by other means. In the event that the amount of capital raised exceeds the amount required by the projects, the extra amount will be used to replenishing operating capital.

C. Plan items, status of capital allocation, and expected benefits:

i. Plan items and status of capital allocation

Unit: NT$ thousands

Plan		Expected Completion Date	Total Capital Required			Planned Capital Allocation						
			Funding source	Transaction currency	Amount	2023			2024			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
Addition of working capital	Pharmaceutical research and development	Q4 of 2026	Capital raised this quarter	USD	72,240	2,261	4,000	3,500	14,400	13,000	13,000	15,000
				NT$	2,202,959	68,949	121,980	106,732	439,128	396,435	396,435	457,425
			Self-owned assets	USD	37,260	239	-	-	-	-	-	-
				NT$	1,136,244	7,287	-	-	-	-	-	-
	Global clinical trial	Q4 of 2026	Capital raised this quarter	USD	68,500	3,450	3,950	7,450	9,500	9,200	5,570	5,620
				NT$	2,088,907	105,207	120,455	227,188	289,703	280,554	169,857	171,382
	Addition of working capital	Q4 of 2026	Capital raised this quarter	USD	42,000	-	-	-	-	-	-	-
				NT$	1,280,790	-	-	-	-	-	-	-
Reinvestment	Reinvestment in PharmaEssentia USA	Q1 of 2024	Capital raised this quarter	USD	200,000	90,000	30,000	30,000	50,000	-	-	-
				NT$	6,099,000	2,744,550	914,850	914,850	1,524,750	-	-	-
	Reinvestment in PharmaEssentia Japan KK	Q4 of 2024	Capital raised this quarter	USD	80,000	10,000	15,000	-	10,000	15,000	15,000	15,000
				NT$	2,439,600	304,950	457,425	-	304,950	457,425	457,425	457,425
Total				USD	500,000	105,950	52,950	40,950	83,900	37,200	33,570	35,620
				NT$	15,247,500	3,230,943	1,614,710	1,248,770	2,558,531	1,134,414	1,023,717	1,086,232

Unit: NT$ thousands

Plan		Expected Completion Date	Total Capital Required			Planned Capital Allocation							
			Funding source	Transaction currency	Amount	2025				2026			
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Addition of working capital	Pharmaceutical research and development	Q4 of 2026	Capital raised this quarter	USD	72,240	1,900	5,179	-	-	-	-	-	-
				NT$	2,202,959	57,941	157,934	-	-	-	-	-	-
			Self-owned assets	USD	37,260	-	1,321	6,900	6,600	6,600	5,700	5,900	4,000
				NT$	1,136,244	-	40,284	210,416	201,267	201,267	173,822	179,921	121,980
	Global clinical trial	Q4 of 2026	Capital raised this quarter	USD	68,500	2,920	3,500	3,400	3,500	3,400	2,820	2,620	1,600
				NT$	2,088,907	89,044	106,733	103,683	106,733	103,683	85,996	79,897	48,792
	Addition of working capital	Q4 of 2026	Capital raised this quarter	USD	42,000	-	-	7,000	7,000	7,000	7,000	7,000	7,000
				NT$	1,280,790	-	-	213,465	213,465	213,465	213,465	213,465	213,465
Reinvestment	Reinvestment in PharmaEssentia USA	Q1 of 2024	Capital raised this quarter	USD	200,000	-	-	-	-	-	-	-	-
				NT$	6,099,000	-	-	-	-	-	-	-	-
	Reinvestment in PharmaEssentia Japan KK	Q4 of 2024	Capital raised this quarter	USD	80,000	-	-	-	-	-	-	-	-
				NT$	2,439,600	-	-	-	-	-	-	-	-
Total				USD	500,000	4,820	10,000	17,300	17,100	17,000	15,520	15,520	12,600
				NT$	15,247,500	146,985	304,951	527,564	521,465	518,415	473,283	473,283	384,237

ii. Expected benefits

Used for research and development, funds required for clinical trials, and reinvestment in subsidiaries to improve capital structure, reduce operational risks, and support future business development of PharmaEssentia.

D. Changes to the plan, reasons for changes, and benefits before and after the changes:

No change was made to the plan at this time.

(2) Implementation status:

Plan	Implementation Status		As of the End of 2025	Reasons for ahead of or fall behind of the plan and improvement plans
Addition of working capital	Amount spent	Planned	4,859,682	The delay is due to the fact that the procurement contract related to the R&D project has just been signed, causing progress to fall behind in the fourth quarter. PharmaEssentia will accelerate the execution of relevant R&D activities, ensuring that the R&D project
		Actual	3,242,017	
	Implementation Status (%)	Planned	72.43	
		Actual	48.32	

Plan	Implementation Status		As of the End of 2025	Reasons for ahead of or fall behind of the plan and improvement plans
				can be completed as scheduled. In terms of clinical aspects, the relevant IND applications have been successfully submitted to the NMPA and the U.S. FDA and have been approved by Japan's PMDA. In addition, the application for the Phase I clinical trial of the TCR-T therapy is currently in progress. Once approved, PharmaEssentia will expedite the initiation of the relevant clinical trials.
Reinvestment	Amount spent	Planned	8,538,600	All the funds have been fully expended.
		Actual	8,538,600	
	Implementation Status (%)	Planned	100	
		Actual	100	
Total	Amount spent	Planned	13,398,282	
		Actual	11,780,617	
	Implementation Status (%)	Planned	87.87	
		Actual	77.26	

(3) Benefit analysis

A. Improve capital structure

Item \ Year		January to March, 2023 (Before cash capital increase)		April to June, 2023 (After cash capital increase)	
		Consolidated	Individual company only	Consolidated	Individual company only
Financial structure	Debt ratio (%)	26.69	21.28	8.59	4.21
	Ratio of long-term capital to real estate property, plants and equipment (%)	1,526.91	1,831.72	2,692.11	2,762.38
Liquidity	Current ratio (%)	368.98	2,143.16	1,439.31	3,640.83
	Quick ratio (%)	331.36	2,002.27	1,350.32	3,499.25

The debt to total assets ratio of PharmaEssentia by the end of June 2023 after capital increase was 8.59%, down from the debt to total assets ratio of 26.69% before the capital increase as of March 2023. The ratio of long-term capital to property, plants, and equipment (%) was 2,692.11% after the capital increase, higher than that of 1,526.91% before capital increase, and such increase made an improvement to our financial structure. In addition, the current and quick ratio before capital increase was 368.98% and 331.36%, respectively, and compared with the current and quick ratio of 1,439.31% and 1,350.32% before capital raise, the increase demonstrates that our liquidity has improved. After evaluation, the benefits of the issuance of the global depositary receipts in 2023 by PharmaEssentia for addition of working capital is obvious.

B. Pharmaceutical research and development

In addition, NT$3,339,203 thousand of the aforementioned raised capital was used for continuous promotion of the various new drug projects. The clinical trial results of these projects are rather positive. Please see the table "Status on the Research and Results of Projects" below, which indicates that the capital-raising plan is yielding visible benefits.

Title of Project	Up to date research status and results from capital raise
long-acting PEGylated immuocytokines	• Multiple cytokine-targeted projects are ongoing. Among the projects, the results of the IL-2 rat and monkey non-GLP dose-range finding (DRF) study support further toxicological studies under GLP standards for this project. In addition, the process and drug property analysis methods are continuously being developed and optimized. Based on the state of the Company's current internal resources, GMP production is tentatively scheduled to begin in the first quarter of 2026, alongside initiating CRO evaluation and other processes. Other projects remain in the phase of structure design, optimization, and activity research.
Immune checkpoint inhibitors	• Two immune checkpoint inhibitor projects are progressing. Given that the three lead candidates initially selected for Project A only showed limited in vivo and in vitro anti-tumor activity in experiments, the R&D team has established a more robust new immunomodulatory selection platform. The Company is currently conducting a re-screening process to develop a more potent antagonist agent, optimizing subsequent R&D benefits. Initial process development has been completed for Project B, supporting our GLP production plans. Trials involving monkey subjects showed promising stability and safety results. The Company decided in the fourth quarter of 2025 to push forward the main candidate drug into the drug candidate (DC) stage. The Company is currently building a commercial Master Cell Bank (MCB) and conducting GLP production. • Collaborating with two external partners, we have successfully introduced early-stage immune checkpoint inhibitor development

Title of Project	Up to date research status and results from capital raise
	projects. The technical documentation transfer was completed in 2025, and subsequent experiments will be planned based on the cooperative development model between the two parties.
Bispecific antibodies	• The Company has already completed cell line selection, and in the third quarter of 2025 began preparing a commercial MCB, while also continuing to optimize process development. The R&D team has already decided in the third quarter of 2025 to push forward the main drug candidate into the pre-clinical candidate compound (PCC) stage, and begin monkey pharmacokinetic/pharmacodynamic (PK/PD) and MTD trials in the fourth quarter of 2025.
Drug development platform	• In 2025, the PIRC data science team successfully designed and implemented a phased strategic roadmap to modernize the Company's computing infrastructure, laying the foundation for an AI-native R&D organization. • Proprietary discovery engine (PIRC framework) 1. PIRC engine proof of concept: Successfully developed and deployed a proof-of-concept version of the PIRC target identification engine. This internal computing framework integrates multiomics technologies with advanced AI to more accurately identify novel targets. 2. R&D applications: The Company has applied the PIRC engine for use in active R&D projects for validation, demonstrating the engine's ability to feasibly influence target selection decisions. • Strategic data partnerships & real-world evidence (RWE) 1. Establish partnerships: We have partnered with Qiagen (on a knowledge graph for IL2 indication selection) and acquired the Tempus RWE/PDO data package to reduce clinical translation risks.

C. Global clinical trials of pharmaceutical research and development

The NT$2,088,907 thousand in raised capital described above was used for the continuous promotion of various new drug projects. Clinical trial results for each of these projects have been positive, and indicates how our capital-raising plan has yielded visible benefits.

D. Reinvestment in subsidiaries in the U.S.

PharmaEssentia reinvested a total of NT$8,932,285 thousand raised from the cash capital raised before listing in 2016, cash capital raise in 2020, issuance of common shares through the second private capital raise in 2021, and issuance of global depositary receipt (GDR) in 2023 in the amount of NT$569,960 thousand, NT$1,047,288 thousand, NT$1,216,037 thousand, and NT$6,099,000 thousand, respectively, in the U.S. subsidiary.

E. Reinvestment in PharmaEssentia Japan KK

PharmaEssentia reinvested in the subsidiary in Japan with the private placement of common stock in 2019, the second private placement of common stock in 2021, and the issuance of overseas global depositary receipt in 2023 in the amount of NT$297,885 thousand, NT$208,830 thousand, and NT$2,439,600 thousand, respectively, a total of NT$2,946,315 thousand.

IV. Overview of Business Operations

1. Descriptions of Business

(1) Business Scope

A. Main Business Activities

The Company is primarily engaged in the R&D, clinical trials, production, product sales, and market expansion for innovative new biopharmaceutical drugs, and submits applications for drug review, registration, and market launch based on the development progress of our products.

The Company is focused on drugs within the hematology and oncology fields, and uses the PEGylation technological platform to design and develop candidate drugs. We have continued advancing our clinical trials and developing new indications to build a product portfolio with clinical application value. At the moment, our main product Ropeg has already been approved by the regulatory authorities in multiple countries around the world for treating PV. We will continue expanding into further related markets. With regard to the indications for ET, the Company is currently planning applications for approval review and registration based on the results of clinical trials and the regulations of the competent authorities in various countries. The actual application and approval timeline will depend on the progress of the review process.

With regard to production and supply, the Company is responsible for manufacturing the pharmaceutical raw materials for Ropeg to meet global market demand. All related production and supply operations are conducted in compliance with quality management standards and the regulatory requirements of each country. With regard to market expansion, we will gradually expand our product sales and use applications in markets around the world through our own marketing activities or by working together with authorized marketing partners, based on the regulations and market conditions of each country.

B. Relative Weight of Primary Products

PharmaEssentia's main source of revenue is from sales of new drugs. Consolidated revenue and distribution in 2025 are as follows:

Unit: NT$ thousands; %

Revenue Item	2025	
	Revenue	Revenue breakdown
Sale of medicinal products	15,550,603	99.50
Provision of labor services	31,262	0.20
Royalty income	52,912	0.30
Total	15,634,777	100.00

C. Current products (services)

Product	Category	Indication	Clinical application (target patient group)	Target market
Ropeg (new generation long-acting interferon)	Self-developed	Polycythemia vera (PV)	PV patients	U.S., Europe, Japan, South Korea, China, Taiwan

Ropeg has received regulatory approval for sale in the European Union, United States, Japan, South Korea, and Taiwan. Regarding the arrangements for the sale of the product in different markets worldwide: In Europe, a licensing agreement has been established with AOP. For the South American markets, a licensing agreement with Pint-Pharma GmbH has been made for sales in Latin America. For Canada, a licensing agreement has been made with Forus Therapeutics Inc. In the United States, Japan, South Korea, China, and Taiwan, PharmaEssentia and its subsidiaries across different regions sell the product directly to distributors, contracted pharmacies, and medical institutions. These entities are responsible for marketing campaigns and providing services in their respective local markets. Moving forward, PharmaEssentia will continue to expand its presence in other markets and adjust its marketing strategies to cater to the specific demands of each market.

D. New Products (Services) Planned for Development

The products planned by the Company include drugs in the myeloproliferative neoplasms and cancer treatment fields, long-acting therapeutic proteins, and cell therapy drugs. We have focused on applying for drug licenses globally for Ropeg as an ET treatment indication, and are preparing to launch the drug in major markets. We have continued to advance the recruitment and implementation of global Phase III clinical trials for Ropeg as a treatment for early/prefibrotic myelofibrosis. Additionally, in the field of cancer treatment, the Company has continued to develop our new anti-PD-1 monoclonal antibody P1801 drug, and plan to conduct clinical trials for patients with terminal solid tumors. At the same time, we have leveraged our unique PEG and Site-Specific PEGylation patented technology platform, in combination with other cytokines, to develop more long-acting therapeutic proteins such as PEG-IL2. The Company has also actively developed TCR-T therapies to expand towards new directions for treating solid tumors, continuously strengthening the Company’s R&D capabilities and market competitiveness through innovative biotechnology products.

(2) Industry overview

A. Current status and development of the industry

The biotechnology and pharmaceutical industry is a high value-added industry known for its innovative R&D and value creation. The industry directly impacts human health, lives, and safety. From early drug exploration, preclinical and clinical trials, to drug licensing approval and market launch, new drugs must undergo strict regulatory reviews and require the investment of large amounts of capital and time. New drug development is also characterized by high technological barriers, long development cycles, and high R&D risks. However, once a drug is successfully launched on the market and receives patent protection, it enjoys a relatively long period of market exclusivity and has high potential to earn returns.

In recent years, the rise of precision medicine has gradually shifted the medical model towards development of personalized treatment. The integration of different innovative technologies such as mRNA, cell therapy, gene therapy and gene editing has not only accelerated the development and launch of new drugs, but also led to more diverse and groundbreaking disease treatment methods, which has continued to improve clinical treatment effects and patient prognosis. The most recent IQVIA research indicates that the global pharmaceutical market will continue growing steadily in the future, showcasing the industry's long-term development potential.

In Taiwan, the Act for the Development of Biotech and Pharmaceutical Industry put forward by the Ministry of Economic Affairs has included precision medicine within its scope of application, further promoting industrial innovation and upgrading. As of June 2025, 226 companies and 586 products have already passed review and qualified as a biopharmaceutical company and biopharmaceutical product under the Act, demonstrating the rapid development and global competitiveness of Taiwan's biotechnology industry.

The Company is both a new drug developer and biopharmaceuticals manufacturer, focusing on innovative new treatment for rare diseases such as MPN. We have also continuously expanded the scope of our PEGylation technological platform to include development of oncological and immunotherapy treatments, while also conducting development into emerging new technologies such as cell therapy. The following is an industry overview, as related to our main treatment fields:

- Myeloproliferative Neoplasms (MPNs)

  Myeloproliferative neoplasms are categorized into four types: Polycythemia vera (PV), Essential Thrombocythemia (ET), Chronic Myeloid Leukemia (CML), and Primary Myelofibrosis (PMF) are all hematological diseases which require long-term treatment and continuous management. Global pharmaceutical companies have continued investing into the R&D of new MPN drugs, leading to more diverse treatment options and promoting the stable growth of the overall market.

- Tumor diseases

  Cancer treatment in recent years has gradually shifted towards a focus on developing enhanced immunotherapy treatment methods. In particular, the anti-PD-1 and PD-L1 monoclonal antibodies have been widely used to treat various types of solid tumors, which has significantly changed cancer treatment methods in recent years, Additionally, the use of combination therapy to improve therapeutic effects has also become an important development trend. This includes combining small molecule drugs with immunomodulation mechanisms to enhance overall therapeutic effects. Compared to traditional interferons, whose clinical applications are limited due to their side effects, the Company's Ropeg drug has higher tolerability and is safer. It not only requires less frequent administration, but its dosage can also be flexibly adjusted, improving patient treatment compliance and quality of life. Ropeg can also potentially be applied as part of a multiple-treatment strategy for cancer.

  Tumor cell therapy treatment methods such as Chimeric Antigen Receptor (CAR) T-Cell therapy has developed rapidly in recent years, and achieved significant therapeutic effects in the treatment of hematological diseases. The application of these therapies have also gradually been expanded to treat solid tumors, bringing new development opportunities for tumor treatment. In summary, these continuous breakthroughs in immunotherapy and cell therapy technologies showcase the long-term growth potential of the cancer treatment market.

B. Planned licensees and areas of sales in the future

The Company's Ropeg drug has already been approved for PV treatment, and we are continuing to expand its clinical applications to other rare hematological diseases including ET, PMF, and CML. The Company's commercialization efforts in the U.S. and Asia markets are led by our own in-house sales teams (including the U.S., Japan, South Korea, China, and Taiwan markets), while we work with other partners through strategic collaborations to conduct licensing and sales for other regions, gradually building a complete global market presence.

C. Connections between upstream, midstream, and downstream industries

The Company and our subsidiaries are R&D-focused biopharmaceutical drug development companies. Taiwan is the Company's main R&D and production base, and our business operations include conducting development, clinical trials, manufacturing, and global marketing for new drugs. As drugs are directly administered to the human body, their safety and efficacy is subject to strict review and continuous supervision by the competent authority in each country. The overall new drug development process is summarized as follows:

i. Basic laboratory research and applied research: Domestic and foreign industrial–academic institutions and research agencies conduct basic laboratory research and applied research to explore the potential of a new drug or treatment.

ii. Technology and leads development stage: Confirm that the product can feasibly be commercialized, establish procedures and quality standards to comply with regulatory requirements.

iii. Preclinical testing stage: The drug undergoes nonclinical animal testing, including pharmacokinetic tests, toxicology tests, and pharmacological tests to ensure it is effective in animals and has no safety concerns.

iv. Human clinical trials phase: Investigational new drug applications are submitted to drug and safety authorities to initiate human clinical trials. Clinical trials are then conducted in three phases: Phase I involves determining the safety of the drug in healthy subjects. In Phase II, the efficacy of the drug is tested and experiments are conducted using possible drug dosages on a small number of patients. Before proceeding to Phase III, a certain level of reproducibility must be achieved. In Phase III, the efficacy of the drug is verified and the long-term responses to the drug use are monitored in a large number of patients. If the Phase III clinical trials achieve expected results, new drug applications or biologic license applications can be submitted to the drug and safety authorities. Upon approval, the new drug qualifies for marketing.

v. Pharmaceutical manufacturing and registration (factory inspection): Pharmaceutical factories must pass an inspection from the pharmaceutical health and safety authorities before they can begin commercial production operations and sell their products on the market.

D. Development trends of products

The Company's core product, Ropeg, is mainly used in the MPN field. The drug's indications include diseases such as PV, ET, and PMF. PV and ET are rare hematological diseases with relatively low numbers of patients. Various countries provide policy support and review mechanisms specifically for these rare diseases, which helps accelerate the development and marketing of new drugs. As demand for medications treating rare diseases rise, and the competent authorities offer increasing regulatory support for innovative new treatment methods, related drug markets have continued to grow steadily.

In particular, treatment options for ET remain limited, and some patients are unable to tolerate existing treatment methods, or experience poor therapeutic effects. This indicates that there still exist unmet medical needs in this area. Ropeg has been shown to have strong therapeutic effects and high safety in its global Phase III clinical trials (SURPASS-ET), which also demonstrated its long-term treatment potential. The Company continues to advance applications for drug licenses globally as planned in order to expand into MPN treatment.

Additionally, as cancer treatment continues to develop towards immunotherapy, novel therapies such as immune checkpoint inhibitor (anti-PD-1 antibodies) and ADCs have begun to rapidly enter the market, unlocking limitless possibilities for cancer treatment. Ropeg, as a new generation long-acting interferon, has high drug tolerability and allows for flexible dosage adjustments. In the future, Ropeg can potentially be used in combination with other immunotherapy methods or cancer drugs to improve therapeutic effects, allowing it to be expanded to include tumor indications.

E. Product competitiveness

The Company's Ropeg drug has continued to be recommended by the NCCN as a PV treatment option for many years. It is listed as a first-line drug for treating both high-risk and low-risk PV Compared to traditional interferons, Ropeg is longer-acting and has fewer side effects. It overcomes the limitations of traditional interferons in terms of administration and treatment, while expanding the scope of indications and applications for IFN-α.

Ropeg has also recently (in the latest NCCN Guidelines) been included as an option in the ET treatment guidelines, and listed as a Category 1 first-line drug for high-risk patients who do not respond well to current treatments, or who find current treatments ineffective. As Ropeg continues to expand its indications and receive the affirmation of authoritative international medical guidelines, it has demonstrated solid clinical value as an MPN treatment and sustained potential for growth.

(3) Overview of technologies and R&D

A. Technical level and research and development of business operations

Ropeg is a new generation long-acting interferon developed by the Company through our proprietary PEGylation technology platform. Its long-acting drug effects allow it to be administered less frequently, easing the burden on patients. At the same time, the drug possesses high tolerability and allows for flexible dosage adjustments, and has proven to be exceptionally safe and convenient in clinical applications. By continuously deepening our technological platform and patent portfolio, the Company has further promoted the development of new long-acting therapeutic protein drugs, and enhanced overall R&D competitiveness.

B. R&D expenses in the most recent two years

Unit: NT$ thousands

Item	2024	2025
R&D Expenses	2,587,570	3,467,828
Net Operating Revenue	9,734,814	15,634,777
As a Percentage of Net Revenue	26.58%	22.18%

C. Technologies or products successfully developed in the past year

Category	Product	Indication	R&D achievements
Blood diseases	Ropeg Self-developed	Polycythemia vera (PV)	To date, the drug has been approved for treating adult patients with PV in approximately 40 countries around the world, including major new drug markets such as the United States, Japan, China, and the European Union.
		Essential thrombocythemia (ET)	Recruitment for the multi-national, multi-center Phase III clinical trial officially commenced in September 2020. The core study has been successfully completed, and starting in 2025, applications for regulatory approval for ET will be submitted successively in multiple countries, including Taiwan, United States, Japan, South Korea, and Mainland China.
		ECLIPSE-PV	Recruitment for this clinical trial was completed in 2024, exceeding the planned number of participants. PharmaEssentia will evaluate the data results to determine if it will apply to the FDA for a revision of the dosage recommendations on the package insert.
		EXCEED-ET	Recruitment for this clinical trial was completed in 2024, exceeding the planned number of participants. Data from the trial is expected to be available in 2025 and will serve as supporting documentation for the review of the ET regulatory approval application in the United States.

Category	Product	Indication	R&D achievements
Tumor diseases Skin diseases Growth hormone	Anti-PD1 TCR-T	Solid tumors	PharmaEssentia's Phase I clinical trials combining P1101 and the PD-1 inhibitor P1801 for patients with advanced solid tumors has been approved by the TFDA. Recruitment is expected to be completed by 2027.
	PEGylated immunocytokine (long-acting PEGylated immuocytokines)	For the treatment of a number of cancers and immune diseases.	The PEGylated immunocytokines selected include IL-2, IFNλ, IFNγ, and IL-15. Multiple activity determination methods are being developed and the efforts will continue to advance.
	PBMC in-vitro assays (immune checkpoint inhibitors)	For treating a number of solid tumors	The Company expects to explore the new filed of immunotherapy application through investing resources in the development of best-in-class/first-in-class potential new immune checkpoint antibodies to develop new drugs for treating leukemia and solid tumors.
	KX01 (Kinase inhibitor) Licensed development	Psoriasis and Actinic Keratosis	In the treatment of psoriasis with KX01, it is necessary to find the best treatment period for psoriasis at the highest dose of the treatment drug. Based on this result, the Company will decide on the plan for the phase III clinical trial. The Phase I clinical trials were completed in 2021, and the report was submitted to the TFDA in January 2022. The TFDA issued a memo dated February 16, 2022, notifying the conclusion of the case. PharmaEssentia also has received the approval letter from the TFDA for registration of new drug for the treatment of actinic keratosis (AK) in September 2022.
Myelofibrosis (MF)	Early / Pre MF	For treating early and prefibrotic myeloid fibrosis (Early/pre-MF)	The Company is currently recruiting as scheduled for the global Phase III clinical trial for the treatment of pre-fibrotic/early primary myelofibrosis (HOPE-PMF).

(4) Short- and long-term development strategies and plans

A. Short-term Development Strategy and Plan

As part of our short-term development strategy and plan, the Company looks to leverage existing channels and sales resources to accelerate expansion into the ET market. Additionally, the Company continues to advance clinical trials of Ropeg for other indications (such as for early/pre-primary myelofibrosis), strengthening our product pipelines.

B. Mid-to-long-term Development Strategy and Plan

The Company and its subsidiaries will continue expanding our technological platforms, and develop new small-molecule drugs through our chemical synthesis expertise, based on our existing PEGylated therapeutic proteins. We will also develop new therapeutic proteins for new cancer immunotherapies, enhancing our R&D capabilities and product diversity.

2. Overview of the Market and Production and Sales

(1) Market Analysis

A. Distribution of the Company's main products and services

Currently, Company's main product is Ropeg, a drug used for PV treatment. It is primarily sold in the United States. Analysis from market research firm DelveInsight has shown that the US is the largest market globally for PV drugs, and that this market is expected to maintain stable growth in the future, demonstrating the market's high development potential.

B. Market Share

Ropeg has already received drug licenses in the European Union, United States, Japan, South Korea, and Taiwan. As part of the Company's commercialization strategy, sales in the European Union, South America, and Canada markets are conducted through licensed partners, while sales and marketing in other major markets are conducted through in-house teams established by the Company and our subsidiaries in each region. The Company flexibly adjusts between the licensed partner and in-house sales model based on the characteristics of each regional market, helping us to continue improving product penetration and market share.

C. Supply and demand and market growth going forward

The Company and our subsidiaries have focused on the development of new long-acting biopharmaceuticals and improving existing drugs through our patented technologies to improve product competitiveness. This market has high barriers to entry due to the high technical barriers for biologics. The Company is also capable of carrying out independent R&D and production, helping us to control product quality and supply schedules. The Company's R&D products include drugs for treating hematological diseases, infectious diseases, and cancer, all of which are markets expected to maintain stable growth. This enables our products to support the Company's long-term operation and development.

D. Competitive niche

The Company possesses a complete new drug development pipeline and a global patent portfolio. We have continued strengthening our core technological advantages to ensure long-term competitiveness. We also have the capacity to manufacture biologics according to international standards, allowing us to effectively integrate the process from R&D to mass production. This ensures stable product quality and efficient cost management. With regard to our external business environment, we benefit from the diverse range of policy support and regulatory incentives provided for rare disease treatment and innovative drug development in our major markets, which has helped us reduce the time to market and increases opportunities for entering the market. Additionally, the Company's product lineup includes drugs for multiple different indications at different R&D stages. We have built a scalable product portfolio with strong growth momentum through continuing to invest into clinical development and expanding our technology platform. The Company's strengths in R&D, manufacturing, regulatory compliance, and product portfolio has enabled us to maintain a solid and sustainable competitive foundation in the biopharmaceutical industry.

E. Future advantages, obstacles, and countermeasures

i. Favorable Factors

● Primary products may be applied to the treatment of multiple disorders

The Company has built a complete and strategic product development pipeline for a diverse range of therapeutic treatments, including for hematological diseases, cancer, and long-acting therapeutic proteins. This pipeline spans all stages of the development process, from preclinical research to clinical trials. Apart from being successfully applied as a PV treatment, the Company has continued to expand the indications for our core product Ropeg to include ET and PMF treatment, while simultaneously conducting R&D into other innovative drugs and immunotherapy treatments for cancer. By continuing to promote the development of first-in-class (FiC) and best-in-class (BiC) new drugs, and integrating international clinical research resources into our own technology platform, the Company has been able to increase product differentiation and improve R&D success rates while also effectively diversifying product risks. This has enabled us to gradually build a globally competitive product portfolio and maintain long-term growth momentum.

● Possess key technology patents

The Company and our subsidiaries continue to strengthen our patent portfolio for key technologies. This not only supports the development of new products, but may also potentially generate revenue through licensing, and effectively reduces intellectual property risks. The Company has actively established a comprehensive patent protection network in major markets such as the United States, Europe, and Asia to ensure that our technologies remain legally compliant and exclusive globally. At the same time, we have continued to submit patent applications in emerging technological fields in order to seize future innovation opportunities and dynamically adjust our patent strategy in response to market demand and R&D progress. By also collaborating with international corporations, we are able to further strengthen our overall competitive advantage.

ii. Obstacles and countermeasures

Market competition from biosimilar drugs has become increasingly fierce. The Company will focus on developing products with high technical barriers and high barriers to entry, prioritize targets with strong differentiated advantages and market potential, and establish a comprehensive evaluation mechanism to prudently analyze products on multiple different aspects, including technical feasibility, market demand, patent portfolio needs, and the regulatory environment. This reduces development risk and increases success rates. We will also accelerate product development and plan our regulatory application strategy in advance by enhancing our R&D efficiency and project management capabilities, enabling us to reduce the time to market for products and increase overall market competitiveness.

(2) Applications and manufacturing processes of main products

A. Important applications of main products:

The Company and our subsidiaries have focused on developing long-acting protein drugs as our core product. We have engaged in the R&D and manufacturing of innovative biological agents by combining our PEGylation technology platform with small molecule synthesis capabilities. Our core product Ropeg has obtained drug licenses in multiple markets, including in the United States, Europe, Japan, Taiwan, and South Korea, for PV indications. We have continued to conduct clinical trials for other indications following our pre-established schedule in order to expand the product's treatment scope and overall market value.

B. Production process of main products:

The Company's biologics manufacturing system has been built to comply with international GMP standards, ensuring that each stage of the manufacturing process from raw materials management, process control, and quality inspections, to finished product release, complies with strict quality and regulatory requirements. The Company has established a biologics manufacturing plant that complies with international standards, which is able to carry out key manufacturing steps including cell culture, purification, and filling. We have also implemented a complete quality management system (QMS) to ensure the safety, consistency, and traceability of our products. By continuously optimizing our process technology and quality management capabilities, the Company has been able to improve production efficiency, reduce manufacturing risks, and enhance overall competitive advantages.

(3) Supply of primary materials

To ensure that our drug quality remains consistent and that experimental data at each stage is comparable, the Company generally does not change raw materials sources during the development process without a strong reason. We also prioritize selecting internationally reputable suppliers as our main raw materials suppliers. At the moment, the production capacity and operating status of our main suppliers are stable. Each of these suppliers meet Pharmaceutical Inspection Co-operation Scheme Good Manufacturing Practice (PIC/S GMP) drug manufacturing standards, which helps to ensure that our raw materials supply remains stable and reliable, supporting the Company's continuous new drug development and production operations.

(4) List of main customers

A. The names of customers who have accounted for at least 10% of the total purchase amount in any of the last two fiscal years and the amount and proportion of their purchase

Unit: NT$ thousands

Year	2024				2025				Q1 of 2026			
No.	Name	Amount	% of Annual Net Purchase	Relationship with Issuer	Name	Amount	% of Annual Net Purchase	Relationship with Issuer	Name	Amount	% of Annual Net Purchase	Relationship with Issuer
1	Company X	101,730	31.60	None	Company Y	205,205	31.85	None	Company X	23,050	22.91	None
2	Company Y	96,746	30.05	None	Company X	107,110	16.63	None	Company Z	16,557	16.45	None
3	Company Z	68,602	21.31	None	Company Z	67,868	10.53	None				
	Other	54,870	17.04		Other	264,084	40.99		Other	61,017	60.64	
	Total	321,948	100		Total	644,268	100		Total	100,624	100	

Explanation for changes: Customers who accounted for at least 10% of the total purchase amount in 2024 and 2025 were primarily engaged in hemophilia drugs.

B. The names of customers who have accounted for at least 10% of the net revenue in any of the last two fiscal years and the amount and proportion of their revenue

Unit: NT$ thousands

Year	2024				2025				Q1 of 2026			
No.	Name	Amount	% of Full Year Net Revenue	Relationship with Issuer	Name	Amount	% of Full Year Net Revenue	Relationship with Issuer	Name	Amount	% of Full Year Net Revenue	Relationship with Issuer
1	Company A	1,938,223	19.91	None	Company A	2,723,454	17.42	None	Company F	1,047,322	20.45	None
2	Company B	1,338,950	13.75	None	Company B	2,254,646	14.42	None	Company A	831,194	16.23	None
3	Company C	1,086,825	11.16	None	Company E	1,866,833	11.94	None	Company B	819,562	16.00	None
4	Company D	1,078,048	11.07	None	Company F	1,624,353	10.39	None	Company G	544,200	10.63	None
5	Company E	1,002,362	10.30	None								
	Other	3,290,406	33.81		Other	7,165,491	45.83		Other	1,879,100	36.69	
	Total	9,734,814	100.00		Total	15,634,777	100.00		Total	5,121,378	100	

Explanation for changes: Ropeg, as a main product of PharmaEssentia, has to date been approved for the treatment of PV in approximately 50 countries worldwide, including major new drug markets such as the United States, Japan, China, and the European Union. This has contributed to the notable growth of revenue over the past two years. We will continue to pursue regulatory approvals in more countries to further expand our market presence. In addition, PharmaEssentia is conducting a global Phase III clinical trial of Ropeg for the treatment of ET, as well as clinical trials of Ropeg for other indications, such as PMF. We have also already applied for ET drug licenses in the United States, Taiwan, China, and Japan. Therefore, as Ropeg successively receives new drug market launch approval in additional markets and more indications are approved for the drug, we are well-positioned to effectively diversify our customer base moving forwards.

3. Employee Data for the Past Two Fiscal Years and up to the Annual Report Publication Date

Unit: person; Year

Year		2024	2025	As of March 31, 2026
Number of employees	Managerial level	205	290	298
	Non-managerial employees	395	422	434
	Total	600	712	732
Average age		43	43	43
Average years of service		4.49	4.32	4.37
Educational background (%)	PhD	13	13	13
	Master’s Degree	49	47	47
	Bachelor’s Degree/Associate Degree	37	38	38
	Senior high school or below	1	2	2

4. Environmental Protection Expenditures

(1) The Company’s acquisition of an environmental permit:

A. Stationary pollution source:

Permit no. for emitting stationary pollution: CTSPESD No. BC061-12 (valid till 2029/10/2)

B. Water pollution prevention:

Permit no. for water pollution prevention: CTSPEWP No. BD017-15 (valid till 2030/12/17)

C. Waste removal and disposal:

Business waste removal plan: Permit for the waste removal and disposal: No. B10110080005 (valid from 2024/1/19~2029/12/16)

D. Handling of toxic chemical substances:

Toxic chemical substance approval documentation: Taichung Environmental Protection Bureau No. 000023 (valid till 2025/3/11, renewal application in progress)

(2) Pollution prevention fees payable:

A. Air pollution control fee

The raw materials and pollution emitted by the manufacturing activities at the Taichung Plant in the first quarter of 2025 were below the thresholds for being charged air pollution fees. Beginning from the second quarter of 2025, an air pollution control fee was charged based on the raw materials types and total volatile organic compounds emitted across the entire Plant. This fee will be calculated by the Environmental Protection Bureau’s air pollution fee system based on the amounts declared. The air pollution control fees for 2025 are as follows.

Year	2021	2022	2023	2024	2025
Amount	NT$0 thousand	NT$0 thousand	NT$0 thousand	NT$0 thousand	NT$24 thousand

B. Wastewater treatment fee

The Taichung Plant is located in the Central Taiwan Science. Its water waste is directly discharged into the sewage water system and discharged to the Taichung Park Sewage Treatment Plant. As the water waste was not directly discharged to the surface, there is no concern of water pollution. The expenses incurred for wastewater is shown in the table below.

Year	2021	2022	2023	2024	2025
Amount	NT$123 thousand	NT$184 thousand	NT$210 thousand	NT$152 thousand	NT$266 thousand

C. Soil and Groundwater Pollution Remediation Fees

As the inspection activities of quality control produced heavy metals waste, the Company is required to pay soil pollution fees pursuant to the relevant regulations. However, the Company was exempt from payment for 2025 (the fees were below the NT$200 threshold).

D. Waste Disposal and Recycling Fees

The hazardous industrial waste and general industrial waste produced by the Taichung plant is handled by legitimate waste clearance and disposal organizations, and the compliance audit of environmental protection laws and regulations is arranged irregularly every year to avoid environmental pollution caused by improper disposal. Expenses incurred for waste removal and disposal was summarized as below:

Year	2021	2022	2023	2024	2025
Amount	NT$609 thousand	NT$671 thousand	NT$1,409 thousand	NT$1,282 thousand	NT$1,838 thousand

(3) Pursuant to Article 28 of the Waste Disposal Act, which states that enterprises shall employ professional technical personnel, the Taichung Plant is part of the manufacturing industry and should submit a waste disposal proposal, and has a registered capital of NT$2 billion or more. Hence, the Taichung Plant is required to employ professional technical personnel, which the Company has ensured.

Institution	Company name	Permit	Approval No.
Vendor responsible for waste clearance	1. How Well Environmental Engineering Co., Ltd.	Waste Clearance Permit	111 Taichung City Fei-Jia-Qing No. 0131
	2. Skylark Technology Enterprise Co., Ltd.		108 Taichung City Fei-Qing No. 0074
	3. Nanke Environmental Technology Co., Ltd.		109 Tainan City Fei- Jia-Qing No. 0006
	4. Shin Shin Environmental Protection Engineering Co., Ltd.		110 Taichung City Fei-Yi-Qing No. 0060
Vendor responsible for waste disposal	1. Taichung City Incineration Plant	Waste Disposal Permit	-
	2. How Well Environmental Engineering Co., Ltd.		112 Nantou County Fei-Yi-Chu No. 0009
	3. How-Well Health Care Waste Treatment Co., Ltd.		Fu-Shou-Huan-Fei No. 1080285481
	4. Resource Recycling Facility, Environmental Resource Management Research Center, National Cheng Kung University		Tai-Jiao-Zi (6) No. 1080169607A

(4) List the company's investments in major pollution prevention facilities, the use purpose of such facilities, and the potential benefits generated. In 2025, the Company implemented a dashboard energy management system (EMS), replaced refrigerant for chiller machines, and installed a chiller variable flow system, as described in item 7.

(5) Describe the processes undertaken by the company for environmental pollution improvements in the most recent 2 fiscal years and up to the publication date of the prospectus. If there have been any pollution disputes, their handling processes should also be described: None.

(6) Loss (including damage compensation paid) suffered by the Company due to environmental pollution incidents in the most recent two years and up to the publication date of the prospectus, the total penalty/fine amount, as well as a disclosure of its future preventive policies (including improvement measures) and possible expenses to be incurred: No losses or penalties were incurred by the Taichung Plant in 2025.

(7) Explain the current pollution conditions and the impact of its improvement to profits, competitive position, and capital expenditures of the company, as well as the

projected major environment-related capital expenses to be made for the upcoming 2 fiscal years:

In line with greenhouse gas emissions reduction and sustainable management measures, the Taichung Plant has from the fourth quarter of 2025 to the second quarter of 2026 installed energy saving equipment for its chiller machines (refrigerant replacement improving heat transfer efficiency), and implemented new coolant/cold water pump control methods (variable frequency reducing pump rotation speed). Through these new control methods, the Taichung Plant has reduced the operating load on and motor rotation speed of its chiller machines, reducing the energy consumption of equipment to effectively save energy and reduce emissions. These energy-saving projects are estimated to save 300,000 to 350,000 kWh a year in electricity consumption, reducing electricity fees by NT$1.4 to NT$1.45 million at an implementation cost of approximately NT$3.68 million.

Together with this energy-saving project, the Company has also simultaneously implemented an energy management system (EMS) platform to gain a better understanding of actual resource consumption at the Taichung Plant and make this information available online in real time. This system allows us to better evaluate the benefits of implementing installing energy-saving equipment. At the moment, the system is able to supervise the electricity consumed by the chiller, and coolant temperature and flow volumes for coolant/cold water. This data is transferred to the EMS system for cloud storage. The total cost of building this system was approximately NT$3.47 million.

(8) Building and maintaining the Taichung Environmental Safety and Health Management System:

Through systematic management and following the Plan-Do-Check-Act (PDCA) cycle, the Company has been able to effectively reduce our negative environmental impact, prevent pollution, and meet compliance obligations while maintaining business operations.

A. Adopted the ISO14001 Environmental Management System to systematically manage environmental impacts, enabling us to prevent pollution, conserve resources, comply with laws and regulations, and continue improving environmental performance, meeting the Company's sustainable development targets.

B. Adopted the ISO 45001 Occupational Health and Safety Management System, integrating occupational health and safety management systems into the Company's operations, including key steps such as policy development, hazard identification and risk assessment, setting targets, implementing control measures, internal auditing, and management review. This has allowed the Company to more efficiently and effectively implement occupational health and safety management in order to comply with regulatory requirements and protect worker safety.

5. Labor Relations

(1) List all employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees:

A. Employee benefits

i. Labor insurance: In accordance with the Labor Insurance Act.

ii. National health insurance: In accordance with the National Health Insurance Act.

iii. Group insurance: All employees are eligible to life insurance, liability insurance, and medical insurance, which cover hospitalization and cancer treatments. All policies are fully covered by the Company.

iv. Employee bonus: Any earnings concluded in a fiscal year shall be first used to pay the statutory taxes and make up for losses of previous years, and the distribution ratio of employee bonuses for the year shall be proposed and approved by the Board of Directors, after which it shall be presented at the shareholder meeting for ratification.

v. Employee stock options: The Company invites professionals to join and be a part of the Company's work team and retains outstanding employees who demonstrate development potential. The Company cares for its employees and helps them to improve their quality of life, ensuring they are motivated to create benefits for the Company and shareholders. Following approval by the Board of Directors, employee stock options are issued in accordance with the Procedures for Employee Stock Option Issuance and Subscription.

vi. Year-end bonus/recreational activities: The Company regularly organizes employee trips, provides holiday bonuses, and hosts family day events. The Company has an Employee Welfare Committee in place that plans, promotes, and implements employee benefits, which include aspects in relation to weddings, funerals, birthdays, celebrations, employee trips, holiday bonuses, and occasional department gatherings. Committee members are elected in accordance with the law by employees through a voting process.

B. Continuing education and training

i. New employees: On the first day of work, employees are given an orientation tour around the workplace during which personnel rules, the Company profile, work rules, and supervisors and colleagues are introduced to them.

ii. Continuing Education Rules for Existing Employees: All full-time employees are encouraged to participate in on-the-job education and training courses to promote lifelong learning, impart professional knowledge and skills, and improve their humanistic qualities, thereby enhancing employees' service quality, literacy, and job performance.

C. Retirement systems and their implementation status

Pursuant to the Labor Standards Act, the Company has established the Employee Retirement Rules, which state that for employees who opt for the old pension system, the Company shall make monthly contributions equal to 2% of each employee's monthly salary to their 7 pension account with the Bank of Taiwan set up in the name of the labor pension reserve supervision committee. As of July 1, 2005 following the implementation of the Labor Pension Act (hereinafter referred to as the "new pension system"), a defined contribution plan shall apply to the years of service for employees who were originally applicable to the Rules and opted for the new pension system or employees who report for duty after the implementation of the new pension system. Accordingly, the Company shall make monthly contributions equal to 6% of each employee's monthly salary to their individual pension account at the Bureau of Labor Insurance.

D. Status of agreements between labor and management and all measures aimed at preserving the rights and interests of employees

The Company adopts communication, incentive, and education mechanisms to fulfill employee needs in a timely manner, which helps to forge a positive relationship in which employees and the Company share and work together toward common goals and interests. Subsequently, employees' loyalty to the Company and job satisfaction are enhanced, increasing their willingness to commit to the Company and contribute more to creating value for it. The Company maintains uninterrupted communication and harmonious relations with its employees. therefore, no major labor disputes have occurred as of late.

(2) Losses suffered by the Company due to labor disputes in the past 2 fiscal years and up to the annual report publication date

The Company did not suffer any losses because labor disputes in the past 2 years and up to the publication date of the annual report.

6. Information Security Management

(1) Information security management strategy and structure

In order to strengthen the Company's information security management mechanisms, the Company's General Manager Hwang, Chan-Kou has also concurrently served as the Chief Information Security Officer in 2025. He oversaw and coordinated the implementation of information security policies and resource allocations, ensuring the integrity, confidentiality, and availability of the Company's information assets. A dedicated information security unit responsible for implementing these tasks has also been established.

In order to effectively promote information security, the Company has established an Information Security Management Team (hereinafter referred to as the Information Security Team), which is responsible for coordinating the promotion, governance and supervision of information security. The Company's Information Security Management Team is convened by a senior executive designated by the CEO or the General Manager. The members of the information security team include the General Management Office - Information Director, CEO Office - Biostatistics Director, General Management Office - Intellectual Finance Legal Director, and Sustainable Development Center Supervisors, Corporate Governance Supervisors, QA/QC/PROD/Engineering Supervisors, and the Human Resources Supervisors of the General Management Office, etc. Internal auditors will also join the meetings if needed, and the convenor may assign other Company managers to serve as team members if necessary. In addition, the Information Security Management Team of the Company has established the following Promotion Teams, which are assigned by the convener and are responsible for the coordination, planning, and execution of assigned tasks.

(2) Information Security Policy and Regulations

In accordance with the revision of the Regulations Governing Establishment of Internal Control Systems by Public Companies and the Guidelines for the Information Safety Management and Control for OTC Listed Companies, the Company continues to promote information security policies and regulations. The scope includes establishing an information security promotion organization, formulating information security policies and procedures, conducting personnel training, identifying important core businesses, inventorying and developing information security systems, conducting information security risk assessments, implementing information security protection and control measures, information security event response and reporting, and continuous improvement of information security management. The company has allocated adequate resources and assigned appropriate personnel as the information security supervisor for promoting, coordinating, supervising and reviewing information security management matters, with a view to establishing appropriate information security management mechanism.

(3) Management approaches

The management approaches for 2025 are as follow:

A. Fine-tune the Data Loss Prevention (DLP) policy and prevent unauthorized data breaches and risks by monitoring, controlling, and protecting sensitive data.

B. Continue adopting deep learning techniques for endpoint detection and response (EDR), enhancing protection for our endpoint devices.

C. Manage access to sensitive files, implement permission controls, and retain logs to protect endpoint files.

D. Continuously optimize the network architecture and access services to achieve zero trust security goals.

E. Provide remote backup mechanisms for critical systems to enhance data security and system availability.

F. Periodically patch high-risk vulnerabilities and conduct annual information security social engineering drills.

G. Establish an online training system for information security awareness, creating a mechanism for enhancing overall employee information security awareness.

(4) Allocated resources for information security

- Policies: Formulate information security policies.
- Trainings: All new employees have completed the training courses on information security and social engineering.
- Laws and regulations: Obtained the ISO 27001:2022 information security standards certification in July 2024, completed second annual audit in April 2025.
- Insurance: Information security insurance has been purchased to enhance risk tolerance.

(5) As of date, no major information security incidents have occurred.

7. Material Contracts

Contract type	Party(ies)	Contract period	Content	Restrictions
Licensing agreement	AOP Orphan Pharmaceuticals GmbH (previously known as AOP Orphan Pharmaceuticals AG)	2009/9/1~2039/8/31	Said company is contracted to conduct clinical trials of P1101 for the treatment of PV, ET, and idiopathic myelofibrosis (IMF) in Europe, the post-Soviet states, and the Middle East. The company is granted the right to sell the drug in these regions.	In compliance with the provisions of the agreement
Expenditure on new drug licensing fees	MM	December 8, 2011~the patent expiration date	Exclusive rights are granted for the dermatological new drug, KX01/KX02, in markets such as Taiwan, Singapore, Malaysia, China, Hong Kong, Macau, Japan, and South Korea.	In compliance with the provisions of the agreement
Expenditure on new drug licensing fees	MM	December 16, 2013~the patent expiration date	Exclusive rights are granted for the new oral cancer treatment drugs, Oraxol and Oratecan, in Taiwan, Singapore, and Vietnam.	In compliance with the provisions of the agreement
Clinical research	AA	2010/12/7~end of research	Said company is retained for Phase I and Phase II clinical trials of P1101 for chronic hepatitis B, Phase II clinical trials of P1101 for hepatitis C virus genotype 1, Phase III clinical trials of P1101 for hepatitis C virus genotype 2.	In compliance with the provisions of the agreement
Clinical research	BB	2020/3/15~trials completed	Said company was retained for Phase III clinical trials of P1101 for hepatitis C virus genotype 2 in China.	In compliance with the provisions of the agreement
Clinical research	CC	2020/8/14~trials completed	Said company is contracted to conduct the clinical trial of P1101 for the treatment of ET in the United States, Taiwan, and Hong Kong.	In compliance with the provisions of the agreement
Clinical research	EE	2020/9/29~trials completed	Said company is contracted to conduct the clinical trial of P1101 for the treatment of ET in Japan, South Korea, and China.	In compliance with the provisions of the agreement
Commissioned manufacturing	DD	2021/2/17~services completed	Original equipment manufacturer (OEM) of pharmaceuticals in Germany was retained for filling	In compliance with the provisions of the agreement
Joint venture agreement	FF	Effective on 2014/01/20	The main purpose of joint venture is to help with the application for clinical trials, conducting clinical trials, applying for drug license and marketing of P1101 after receiving drug approval in China	In compliance with the provisions of the agreement

Contract type	Party(ies)	Contract period	Content	Restrictions
Land bid	Taoyuan City Government	2022/9/19–title transfer completed	In response to future market need and production capacity expansion, the company purchase the land to build injection filling plants and warehousing and logistics centers	In compliance with the provisions of the agreement
Clinical research	GG	2023/5/19~trials completed	Said company is contracted to conduct the clinical trials for the treatments of PV and ET.	In compliance with the provisions of the agreement
Engaging others to build on rented land	HH	Effective on 2023/03/15 and valid through the construction is completed and the warranty is ended	New construction of the Zhubei plant, planning of additional production lines and expansion of new plants	In compliance with the provisions of the agreement
Licensing agreement	Q	Effective on 2023/06/02 and valid through 10 years after the license for the first indication in Brazil is issued	Said company is retained for license application and commercial sales of Ropeg in central and south America including Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, and Peru	In compliance with the provisions of the agreement
Expenditure on new drug licensing fees	II	September 30, 2023~the patent expiration date	Exclusive global rights are granted for the research, development, production, and sales of the candidate antibody sequence for a myeloid immune checkpoint.	In compliance with the provisions of the agreement
Clinical research	JJ	2024/10/24~trials completed	Said company is contracted to conduct clinical trial research on pre-fibrosis/early primary myelofibrosis.	In compliance with the provisions of the agreement
Licensing agreement	FF	Effective from August 30, 2024. The agreement term is determined based on whichever occurs later: (1) 10 years from the date of the licensed product's first sale in Canada, or (2) the expiration date of the product's related patent or data protection period. Upon expiration, the agreement may automatically renew every three years.	Said company is authorized to apply for license approval and commercialize Ropeg in Canada.	In compliance with the provisions of the agreement
Asset Purchase Agreement	ImmuXell Biotech Limited	2026/4/14~to closing of asset transfer	Acquisition of R&D assets and platform related to novel immune cell therapy	In compliance with the provisions of the agreement

V. Financial Status, Operating Results, and Risk Management

1. Financial Status

(1) Consolidated - IFRS

Unit: NT$ thousands; %

Item \ Year	2024	2025	Difference	
			Amount	%
Current Assets	25,417,485	29,043,718	3,626,233	14
Property, plant, and equipment	2,712,674	4,540,405	1,827,731	67
Intangible Assets	272,721	235,117	(37,604)	(14)
Other Assets	2,658,753	3,592,054	933,301	35
Total Assets	31,061,633	37,411,294	6,349,661	20
Current Liabilities	2,557,232	4,680,703	2,123,471	83
Non-current Liabilities	1,035,557	755,260	(280,297)	(27)
Total Liabilities	3,592,789	5,435,963	1,843,174	51
Capital Stock	3,417,914	3,796,294	378,380	11
Additional Paid-in Capital	23,546,569	24,106,248	559,679	2
Retained Earnings	2,973,582	6,947,130	3,973,548	134
Total Equity	27,468,844	31,975,331	4,506,487	16

Significant changes: (Changes in amount of 10% or more and representing at least 1% of the total assets for the fiscal year)

1. The increase in current assets and total assets in 2025 was mainly driven by the significant revenue growth during the year, resulting in higher cash and accounts receivables.
2. The increase in property, plant, and equipment in 2025 was mainly due to the ongoing construction plans for expanding the Zhubei Plant.
3. The increase in other assets was mainly due to the recognition of deferred tax assets for the period.
4. The increase in current and total liabilities was mainly due to the increase in revenue for 2025 which led to a corresponding increase in refund liabilities, and the increase in expenses for ongoing investment into R&D and clinical trials which led to a corresponding increase in other payables.
5. The increase in share capital was mainly due to the distribution of stock dividends as part of the 2024 earnings distribution in 2025.
6. The increase in retained earnings and equity was mainly due to record-high revenue in 2025, which generated operating income.

(2) Parent Company Only - IFRS

Unit: NT$ thousands; %

Item \ Year	2024	2025	Difference	
			Amount	%
Current Assets	15,428,723	19,881,929	4,453,206	29
Investment Accounted for Using the Equity Method	9,282,442	7,517,351	(1,765,091)	(19)
Property, plant, and equipment	2,526,496	4,356,040	1,829,544	72
Intangible Assets	227,850	192,151	(35,699)	(16)
Other Assets	2,157,986	3,022,150	864,164	40
Total Assets	29,623,497	34,969,621	5,346,124	18
Current Liabilities	1,416,073	2,446,960	1,030,887	73
Non-current Liabilities	738,580	547,330	(191,250)	(26)
Total Liabilities	2,154,653	2,994,290	839,637	39
Capital Stock	3,417,914	3,796,294	378,380	11
Additional Paid-in Capital	23,546,569	24,106,248	559,679	2
Retained Earnings	2,973,582	6,947,130	3,973,548	134
Total Equity	27,468,844	31,975,331	4,506,487	16

Significant changes: (Changes in amount of 10% or more and representing at least 1% of the total assets for the fiscal year)

1. The increase in current assets and total assets in 2025 was mainly driven by the significant revenue growth during the year, resulting in higher cash and accounts receivables.
2. The decrease in investments accounted for using the equity method is mainly due to the increase in unrealized gross sales profit from U.S. subsidiaries in 2025, which was deducted when calculating the balance
3. The increase in property, plant, and equipment in 2025 was mainly due to the ongoing construction plans for expanding the Zhubei Plant.
4. The increase in other assets was mainly due to the recognition of deferred tax assets for the period.
5. The increase in current and total liabilities was mainly due to the increase in expenses for ongoing investment into R&D and clinical trials in 2025, which led to a corresponding increase in other payables and the recognition of income tax liabilities for the period.
6. The increase in share capital was mainly due to the distribution of stock dividends as part of the 2024 earnings distribution in 2025.
7. The increase in retained earnings and equity was mainly due to record-high revenue in 2025, which generated operating income.

2. Financial Performance

(1) Analysis of Operating Results in Consolidated Financial Statement – IFRS

Unit: NT$ thousands; %

Item \ Year	2024	2025	Increase/Decrease	
			Amount	Variation %
Operating revenues	9,734,814	15,634,777	5,899,963	61
Net Operating Revenue	9,734,814	15,634,777	5,899,963	61
Operating costs	(1,177,225)	(1,684,323)	(507,098)	43
Gross Profit	8,557,589	13,950,454	5,392,865	63
Operating expenses	(6,821,512)	(9,022,227)	(2,200,715)	32
Operating Income	1,736,077	4,928,227	3,192,150	184
Non-operating Income and Expenses	1,258,575	54,709	(1,203,866)	(96)
Net profit before tax	2,994,652	4,982,936	1,988,284	66
Income tax benefits (expenses)	(29,149)	62,231	91,380	(313)
Other Comprehensive Income for the Period	297,086	(737,621)	(1,034,707)	(348)
Total Comprehensive Income for the Period	3,262,589	4,307,546	1,044,957	32

Significant changes: (Changes in amount of 10% or more and representing at least 1% of the total assets for the fiscal year)

1. The increases in revenue, operating costs, gross profit, operating income, and net profit before tax were mainly driven by a rise in the number of patients taking medicines in markets worldwide. The continuous expansion of operations also contributed to these increases. As revenue and gross profit grew, income from operations, net profit before tax, and total comprehensive income for the period increased accordingly.
2. The increase in operating expenses in 2025 was mainly due to continued investment in research and development.
3. The decrease in non-operating income was mainly due to foreign exchange losses resulting from exchange rate fluctuations in 2025.
4. The decrease in other comprehensive income was mainly due to the foreign exchange losses resulted from exchange rate fluctuations in 2025 on the translation of financial statements from foreign operations.

(2) Analysis of Operating Results in the Parent-only Financial Statement – IFRS

Unit: NT$ thousands; %

Item \ Year	2024	2025	Increase/Decrease	
			Amount	Variation %
Operating revenues	3,501,966	13,040,079	9,538,113	272
Net Operating Revenue	3,501,966	13,040,079	9,538,113	272
Operating costs	(755,605)	(1,645,723)	(890,118)	118
Gross Profit	2,746,361	11,394,356	8,647,995	315
Operating expenses	(3,093,194)	(4,175,721)	(1,082,527)	35
Operating Income (losses)	(212,636)	4,835,004	5,047,640	(2,374)
Non-operating Income and Expenses	2,537,799	(35,909)	(2,537,708)	(101)
Net (loss) profit before tax	2,325,163	4,799,095	2,473,932	106
Income Tax benefits	640,340	246,072	(394,268)	(62)
Other Comprehensive Income for the Period	297,086	(737,621)	(1,034,707)	(348)
Total Comprehensive Income for the Period	3,262,589	4,307,546	1,044,957	32

Significant changes: (Changes in amount of 10% or more and representing at least 1% of the total assets for the fiscal year)

1. The increase in revenue, operating cost, gross profit, operating income, net profit before tax, and total comprehensive income for the period was mainly due to an increase in global sales revenue in 2025.
2. The increase in operating expenses in 2025 was mainly due to continued investment in research and development.
3. The increase in non-operating expenses was mainly due to foreign exchange losses resulting from exchange rate fluctuations in 2025.
4. The decrease in income tax benefits was mainly due to higher net profit before tax in 2025.
5. The decrease in other comprehensive income was mainly due to the foreign exchange losses resulted from exchange rate fluctuations in 2025 on the translation of financial statements from foreign operations.

(3) Expected sales volume and its basis, the possible impact on the company's future financial business and the response plan

The estimation of a new drug's expected revenue involves several assumptions, including the estimated number of patients, the number of syringes required for treatment, and the drug prices in the areas where the drug is to be sold. The estimation of the number of patients is based on various factors, including the population growth rate according to published official statistics, disease prevalence rate according to the statistics reported by professional hematological disease research institutions, diagnostic rate or cure rate according to the statistics compiled by professional cancer research institutions, and the conservative market share (market penetration rate) estimated by international market research agencies commissioned by PharmaEssentia. The number of syringes required for treatment is estimated on the basis of the administration rate or medical compliance of patients in a country. The drug prices in the areas where the drug is to be sold are estimated by referencing the price range of similar drugs in the market and the drug pricing models and annual drug price variation patterns of the areas in question.

The markets and distribution channels for Ropeg are planned based on its indications. P1101, primarily designed to treat rare hematological diseases, is mainly marketed in advanced countries, such as those in Europe and Northern America. The reason for targeting these regions for marketing is because the United States is the largest consumer of new drugs and solely accounts for the consumption of 42% of new drugs worldwide. Moreover, the United States, in combination with advanced countries in Europe, accounts for the consumption of 80% of new drugs in the market. Compared with other countries, European and Northern American countries exhibit greater willingness to adopt expensive new drugs. Moreover, these advanced countries offer attention and benefits to orphan drugs, thereby allowing Ropeg of PharmaEssentia to enjoy a strategic advantage in sales. In Asia, Japan's market accounts for nearly 20% of the global new drug market. Given the massive business opportunities presented by orphan drugs, we are striving to expand the clinical trials and sales of P1101 for the treatment of PV and ET in Japan and South Korea, in addition to the European and U.S. markets.

3. Cash Flow

(1) Analysis of Cash Flow Changes During the Most Recent Year

A. Consolidated Financial Statement

Unit: NT$ thousands; %

Item \ Year	2024	2025	Amount of change	Percentage of change (%)
Operating Activities	2,546,905	5,277,677	2,730,772	107
Investment Activities	(1,334,900)	(2,475,125)	(1,140,225)	85
Financing Activities	(185,213)	(499,926)	(314,713)	170

Analysis of changes:

1. The increase in cash inflows from operating activities in 2025 was mainly driven by the net profit after tax for the year.
2. The increase in cash outflows from investment activities was mainly due to the ongoing construction plan for expanding the Zhubei Plant in 2025.
3. The increase in cash outflows from financing activities was mainly due to the cash dividends distributed in 2025 as part of the 2024 earnings distribution.

B. Parent-Only Financial Statement

Unit: NT$ thousands; %

Item \ Year	2024	2025	Amount of change	Percentage of change (%)
Operating Activities	505,809	7,935,899	7,430,090	1,469
Investment Activities	(1,999,558)	(3,493,542)	(1,493,984)	75
Financing Activities	(82,083)	(422,464)	(340,381)	415

Analysis of changes:

1. The increase in cash inflows from operating activities was mainly due to an increase in net profit after tax and unrealized gross sales profit to subsidiaries in 2025.
2. The increase in cash outflows from investment activities was mainly due to the capital increase for subsidiaries and ongoing construction plan for expanding the Zhubei Plant in 2025.
3. The increase in cash outflows from financing activities was mainly due to the cash dividends distributed in 2025 as part of the 2024 earnings distribution.

(2) Cash liquidity analysis and liquidity improvement plan for the coming year (2026)

Unit: NT$ thousands

Cash balance at beginning of period (1)	Projected cash inflow for the year (2)	Projected cash outflow for the year (3)	Projected cash surplus (deficit) amount (1)+(2)-(3)	Remedies for expected cash shortages	
				Investment plan	Financing plan
22,692,972	13,543,597	15,013,786	21,222,783	-	-

1. Analysis of cash liquidity for the coming year

(1) Net inflows from operating activities: Mainly expected to result from revenue growth and profits generated.
(2) Net outflows from investment activities: Mainly due to an increase in reinvestment acquisitions, and acquisitions of property, plant, and equipment.
(3) Net outflows from financing activities: Mainly expected to result from the distribution of cash dividends.

2. Expected remedies for cash shortages and liquidity analysis: N/A.
3. The future cash liquidity analysis is based on the company management's best estimates, considering current planning and the most likely future scenarios. However, it should be noted that planned events and the economic environment may not unfold exactly as projected, and actual results may differ from these projections.

4. Impact of Major Capital Expenditures on Financial Operations During the Most Recent Fiscal Year

None.

5. Reinvestment Policy in the Most Recent Fiscal Year, Main Reasons for Profits/Losses, Improvement Plan, and Investment Plans for the Coming Year

(1) PharmaEssentia's Reinvestment Policy

Re-investments made by PharmaEssentia take into consideration factors such as clinical promotion, drug marketing, and market deployment, among others, and are handled by respective departments in accordance with the internal control system after they are submitted to the Board, where they are discussed and approved.

(2) Main Reasons for Profits or Losses from Reinvestments in the Most Recent Fiscal Year

The Company's investment income recognized using the equity method in 2025 was NT$76,770 thousand, mainly due to the good operating performance and profits from investees.

(3) Investment Plans for the Coming Year

The Company plans to carefully evaluate our investment plans from a long-term strategic perspective to ensure that we can meet future market and production expansion needs, continuously strengthen global competitiveness, and comprehensively develop as a pharmaceutical company.

6. Risk Management

(1) Impact of Recent Interest Rates, Exchange Rate Fluctuations, and Inflation on the Company's Profit and Loss and Future Response Measures

A. Impact of changes in interest rates on the company's profit and loss and future response measures

In 2014, the Company purchased its Nangang office by taking out a collateral loan of approximately NT$116,000 thousand from a bank. The consolidated financial interest expenses for 2023, 2024, and 2025 were NT$34,555 thousand, NT$2,206 thousand, and NT$6,177 thousand, respectively. Overall, changes in interest rates have not had a material impact on the Company. The Company remains an active participant in forging and maintaining a strong relationship with its bank, which will guarantee favorable interest rates and efficient fund acquisition in the future should the Company need to apply for loans.

B. Impact of exchange rate fluctuations on the company's profit and loss and future response measures

Given the Company's operating activities denominated in foreign currencies, expenses related to conducting clinical trials abroad could be subject to impacts from exchange rate fluctuations. The Company's non-operating consolidated foreign exchange gains (losses) for 2023, 2024, and 2025 were NT$375,696 thousand NT$376,378 thousand, and NT$(571,288) thousand, respectively. To mitigate the impact of exchange rate fluctuations in the future, the Company will continuously collect exchange rate information, monitor trends and changes in major international currencies, and maintain close communication with banks to stay updated on more extensive information on foreign exchange market developments and get favorable exchange rate quotes.

C. Impact of inflation on the company's profit and loss and future response measures

Inflation does not impact the Company's technologies and expenses required for the R&D of new drugs as well as new pharmaceutical products that are still being developed. Therefore, inflation has not imposed direct and material impacts on the Company's previous profits and losses. The Company will remain vigilant for market price variations and maintain a positive interactive relationship with its suppliers and clients. The Company will also take appropriate actions in response to reduce impacts on its profits and losses.

(2) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions, the main reasons for the profits/losses generated thereby, and response measures to be taken in the future.

A. High-risk investments and highly leveraged investments: None.

B. Loans to other parties, endorsements, and guarantees: The Company has formulated the "Procedures for Lending Funds to Other Parties" and "Procedures for Endorsement and Guarantee," which it follows when lending funds to other parties and providing endorsement and guarantees.

C. Derivatives transactions: None.

(3) R&D work to be conducted in the future, and further expenditures expected for such work:

Period	R&D Plans
Short-to-Mid Term	• Establish Ropeg as the global standard of care for treating MPN • Ropeg's PV indication has been approved in almost 50 countries, and the drug continues to expand into new approved markets • Ropeg's global Phase III clinical trials for ET have already been completed, and the Company has submitted applications for drug licenses in the United States, Taiwan, China, Japan, and South Korea, with plans to continue applying for approval to expand into new markets. • Have continued advancing Ropeg's global Phase III clinical trials for PMF, and plan to gradually apply for drug licenses in various countries after completing trials • Continue to advance clinical trials and development of Ropeg for other indications • Expand Ropeg's clinical applications through Investigator-Initiated Trials (IITs)
Mid-to-Long Term	• Continue to develop new long-acting therapeutic proteins based on the proprietary PEGylation platform • Develop new innovative drugs and cell therapies (such as CAR-T and TCR-T) focusing on refractory tumors (such as pancreatic cancer) and immune-related diseases. • Advance the development of new drugs such as immune checkpoint inhibitors, ADCs, and bispecific antibodies • Continue collaborating with academic institutions and industry experts to develop innovative next-generation drugs by integrating AI with biologic medicine platforms. • Expand strategic international collaborations, improve product portfolio, and continue exploring new indications

The Company's total research and development expenses in 2025 was approximately NT$3.5 billion. The research and development expenses of each plan will be adjusted year by year according to the actual progress and the targeted goals.

(4) Effect of important policies adopted and changes in the legal environment at home and abroad on the company's financial operations and measures to be taken in response.

Amendments to policies and laws did not have any material impact on the Company's finances and business operations in the most recent fiscal year and up to the publication date of the Annual Report.

(5) Impact of changes in technology and industry on the company's finances and future response measures

The Company is focused on the R&D of new biopharmaceuticals. At the moment, our core product is the latest generation long-acting interferon drug Ropeg, which has potential for broad clinical applications. Additionally, the Company has continued to develop more long-acting cytokines through our proprietary PEGylation platform in order to expand our product lineup and increase potential clinical applications.

The Company's R&D team regularly monitors technological development trends and market changes in the industry, and assesses their impact on the Company's resource allocations and operations, making adjustments to R&D strategies and preparations accordingly. In general, recent technological advancements and industry changes have not had an adverse material impact on the Company's operations.

(6) Effect of changes in corporate image on crisis management and measures to be taken in response.

The Company continues to uphold our business philosophy of ethical and stable management. We have continued to actively reinforce our internal management and improve operational quality and efficiency, and have sought to attract exceptional talent through the capital markets in order to enhance the capabilities of our management team. We have also given back our business results to our shareholders and community, fulfilling our corporate social responsibility commitments. The Company currently enjoys a stable corporate image. There have been no cases where our image has been damaged and led to a corporate crisis.

(7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken.

Based on the Company's long-term development strategy, in 2025 the Board of Directors resolved to acquire certain assets of ImmuXell Biotech Limited to expand the Company's product portfolio and technology platform and to further strengthen its R&D capabilities. In addition, in 2026 the Board resolved to acquire 100% of the equity interest in Forus Therapeutics Inc. to enhance the Company's commercialization capabilities and expand its global market presence.

Prior to the execution of each transaction, the Company conducted financial and legal due diligence and implemented rigorous project management mechanisms to ensure smooth post-transaction integration and operational continuity.

(8) Expected benefits and possible risks associated with any plant expansion and mitigation measures being or to be taken.

The Company's Taichung Biological Pharmaceutical Plant was completed in October 2012, and has received Good Manufacturing Practice (GMP) certification from the European Medicines Agency (EMA) and the Taiwan Ministry of Health and Welfare. The Plant's production capacity is now sufficient to meet the requirements of the Phase III clinical trial for Ropeg and initial mass production demand once drug license approval is obtained and the product launches on the market. The Company also plans to build a new plant in Hsinchu. Construction of the new plant has already commenced, and the plant is expected to begin production in 2026 to meet production demand from future product launches and market expansion.

(9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.

In 2024 and 2025, the Company received 66.19% and 54.17% of revenue respectively from customers which contribute more than 10% of the Company's total revenue. The Company's main product at the moment is Ropeg, which has been approved in almost 50 countries around the world as a treatment for PV patients. We will continue applying for drug license approvals around the world and expanding the market for Ropeg, in order to broaden market reach. Additionally, the Company has been actively submitting applications for new indications for Ropeg in ET treatment, while continuing to develop other indications (such as PMF). This is expected to help increase customer diversification and reduce sales concentration risks.

With regard to our suppliers, the Company's two largest suppliers by procurement amount in 2024 and 2025 were partly from our subsidiary's transaction of finished product hemophilia drugs. As Ropeg's product penetration rate increases, and as the drug expands into more markets in different countries and new indications are developed, the Company expects to gradually diversify procurement sources for the drug. The Company maintains stable partnerships with major suppliers, and effectively manages raw material supply risks through production and procurement planning mechanisms. We have not experienced any materials shortages to date, and the overall supply chain is stable.

(10) Impacts, Risks, and Mitigation Measures Arising from Major Exchange or Transfer of Shares by Directors, Supervisors, or Shareholders with Over 10 Percent of Stake in the Company and Countermeasures

The Company did not transfer or change a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a ten percent stake in the Company in the most recent fiscal years and up to the publication date of the annual report.

(11) Effect upon and risk to the company associated with any change in governance personnel or top management, and mitigation measures being or to be taken.

The Company has made no changes to top management in the most recent fiscal years and up to the publication date of the annual report.

(12) Litigation or non-litigation matters in which the Company's directors, supervisors, presidents, substantial persons-in-charge, major shareholders holding more than 10% of shares, or subordinate companies are involved that have been determined by verdict of the court or are still pending in a major litigation, non-litigation, or administrative litigation, the outcome of which may have a significant impact on shareholder equity or securities prices should be listed:

The Company's major litigious cases that have been concluded by means of a final judgment or are still under litigation:

Company name	Main parties to the dispute	Facts of the dispute	Date of litigation commencement	Company's response as of the prospectus publication date
PharmaEssentia Corporation	Black Gold Global Sdn. Bhd (BGG)	The Company authorized BGG to use the Q10 manufacturing technology in 2008, but BGG failed to pay the Company the licensing fee imposed in accordance with the agreement.	2012.4.18	The payment amounted to 1,108,130 RM (including the last installment of the licensing fee, 990,000 RM) and US$5,500. The noncompliance of BGG despite repeated requests prompted PharmaEssentia to appeal to the Malaysian court for the forced dissolution of BGG on April 18, 2012. The Malaysian court issued a winding-up order on October 18, 2012, authorizing the dissolution of BGG. In July 2013, PharmaEssentia submitted a claim for the estimated amount realized, which is awaiting the decision of a creditors' meeting under the Malaysian court. The account receivable has been listed as full loss in the 2013 and 2014 fiscal years, and it has no material impact to PharmaEssentia.
PharmaEssentia Corporation	AOP	AOP's late delivery of clinical trial data, which was a violation of the license agreement between AOP and PharmaEssentia, resulted in serious delays in obtaining BLA approval in the United States.	2020.11.18	Following the decision of the Board of Directors made on November 13, 2020, PharmaEssentia filed a request for arbitration to the ICC against AOP on November 18, 2020, demanding compensation of no less than USD 1.78 billion for the loss associated with delayed BLA approval attributable to AOP's late delivery of clinical trial data, and the ICC secretariat accepted the request.
PharmaEssentia Corporation	AOP	AOP's noncompliance of clinical trials for three indications, which was a violation of the license agreement between AOP and PharmaEssentia,	2020.12.22	Following the decision of the Board of Directors on November 13, 2020, PharmaEssentia filed a request for arbitration to the ICC against AOP on December 22, 2020, demanding the compensation of no less than EUR 500 million, and the ICC secretariat accepted

Company name	Main parties to the dispute	Facts of the dispute	Date of litigation commencement	Company’s response as of the prospectus publication date
		resulted in losses associated with the delays in completing clinical trials and obtaining MAA approval for Ropeg, a product of PharmaEssentia, in the agent territory of AOP.		the request. On January 27, 2021, AOP has requested to consolidate the case (Case No. 25925 PTA) filed on December 22, 2020 and the case (Case No. 25808 PTA) filed on November 18, 2020, and on February 18, 2021, the arbitration court decided: The case filed later (Case No. 25925 PTA) will be consolidated with the case filed earlier (Case No. 25808 PTA) for joint trial. In addition, the Statement of Claim filed by the Company in October 2021 requested 24.27 million as the compensation and the Company retain the right to claim additional damages. The Company, on March 26, 2022, was notified by its retained counsel, that AOP, on March 25, 2022, filed with the ICC Court a Statement of Defence and Counterclaim. In AOP’s responsive brief, in addition to its responses, AOP made counterclaims against PEC as follows: (1) Alleged the Company violated the original License Agreement and caused damages; (2) Alleged the Company illegally used AOP’s clinical trial data; and (3) Alleged the Company should pay AOP for services and repay overpaid amounts. AOP’s counterclaims total approximately EUR 6 billion. In this regard, the Company has filed the Statement of Reply and Defense to Counterclaim on October 21, 2022 in response to its claims, including the damages that resulted from the delay caused by the reasons attributable to AOP during the EU Marketing Approval review and AOP’s failure to fully realize Besremi's commercial value in its licensed territories. Accordingly, the claim amount of the damages has also been adjusted.

Company name	Main parties to the dispute	Facts of the dispute	Date of litigation commencement	Company's response as of the prospectus publication date
				Responding to the Company's Statement of Reply and Defense to Counterclaim mentioned above, AOP submitted the Statement of Rejoinder and Reply to counterclaim on March 28, 2023 to the ICC, and after reviewing its contents, AOP simply provided supplementary evidence and replies to the claims of both parties under the original claims of both parties. The Company submitted the Statement of Rejoinder to Counterclaim on May 23, 2023 to the ICC and provided supplementary evidence specifically for the counterclaims. The arbitration court for this new arbitration case has conducted the hearing in Frankfurt, Germany from July 10, 2023 to July 20, 2023 to hear the claims of both parties and related witnesses and experts attended the hearing to give statements. Both parties have exchanged the written statements after the hearing on November 15, 2023 and December 13, 2023 under the directions of the arbitration court. On February 17, 2025, the Company was notified by its appointed attorney-at-law regarding the partial final award from the ICC as follows: "(1) The arbitration tribunal dismissed AOP's main claims, including allegations that we used its clinical data to apply for license approval in the United States as well as counterclaims regarding our alleged unstable supply in Europe and refusal to supply. (2) Regarding the Company's claim that AOP caused delays in applying for regulatory approval in the United States, the arbitration tribunal determined that AOP's delay of more than six months and its failure to keep the Company updated on the progress of clinical trials constituted a breach. However, the arbitration tribunal dismissed our request for damages on the grounds that a causal relationship could not be established. (3) The

Company name	Main parties to the dispute	Facts of the dispute	Date of litigation commencement	Company's response as of the prospectus publication date
				arbitration tribunal deferred its decision on the respective claims of both the Company and AOP concerning the payment of the price difference upon adjustment of product prices. (4) The arbitration tribunal ascertained the Company's liability for the five-month delay in obtaining regulatory approval in Europe and the four-and-a-half-month delay in supply. However, it deferred its decision on the amount of damages. Therefore, the arbitration tribunal also deferred its decision on the Company's claim that AOP should cover our loans and royalties. (5) The arbitration tribunal agreed on AOP's request regarding the adjustment of previous clinical drug prices. It determined that the Company should pay AOP 209,036.48 euros, along with annual interest calculated based on the base rate plus 5%, with a maximum annual interest rate capped at 6%. The commencement date for the interest calculation is February 16, 2021. (6) Regarding the expenses incurred in the previous arbitration, the arbitration tribunal determined that, after offsetting the respective expenses payable by both parties, the Company should pay AOP 1,353,976.63 euros, along with annual interest calculated based on the base rate plus 5%, with a maximum annual interest rate capped at 6%. The commencement date for the interest calculation is October 20, 2020. (7) The arbitration tribunal has not yet made a decision on the expenses and interest (if any) associated with this arbitration. (8) The arbitration tribunal dismissed all other claims made by both parties." Based on the arbitration results mentioned above, the Company may need to pay approximately NT$50 million, plus interest. The Tribunal upheld the Company's liability with respect to a 5-month delay to the EU marketing authorization application and a

Company name	Main parties to the dispute	Facts of the dispute	Date of litigation commencement	Company's response as of the prospectus publication date
				4.5-month delay to the drug supply, but reserved its decisions as to the quantum of such claims, as well as the Company's claims for AOP's outstanding payments and unpaid royalties, for the second phase of the arbitration proceedings. A the Partial Final Award received on February 17, 2025 was found to contain serious procedural defects, the Company filed a petition with the Higher Regional Court of Frankfurt am Main, Germany, on May 19, 2025, seeking to set aside the affected parts of the Partial Final Award. The scope of annulment primarily includes the following: (1) The arbitral tribunal's dismissal of the Company's claim for damages resulting from AOP's delay in applying for U.S. marketing authorization due to lack of causation; and (2) The tribunal's finding that the Company was liable for a 9.5-month delay in AOP's European marketing authorization; and (3) The tribunal's order requiring the Company to bear EUR 1,353,976.63 in prior arbitration costs and to pay AOP EUR 209,036.48 for past clinical supplies. On April 24, 2026, the Higher Regional Court of Frankfurt am Main (OLG Frankfurt) rendered its ruling dismissing the Company's application to set aside the Award. As the Company's core legal arguments and material evidence were not properly considered in accordance with the latest jurisprudence of the German Federal Court of Justice (Bundesgerichtshof, "BGH"), the Company filed an petition with the BGH on April 28, 2026, in accordance with applicable law. Additionally, as AOP has repeatedly refused to provide the Postmarketing Requirements (PMRs) report required by the U.S. FDA pursuant to the licensing agreement entered into by the two

Company name	Main parties to the dispute	Facts of the dispute	Date of litigation commencement	Company’s response as of the prospectus publication date
				parties, the Company has on July 2, 2025 formally filed a request with the arbitration court to proceed towards a hearing. The Company has dealt with this matter in a manner that it deems appropriate and will re-evaluate the reasonableness of the relevant approaches in each subsequent financial reporting period. We will discuss with our appointed attorney-at-law regarding follow-up actions to safeguard the equity of the Company and its shareholders. We have determined that the aforementioned arbitration amount has not had any material impact on the Company’s finances or business operations.
PharmaEssentia Corporation	AOP	The Company was notified on October 18, 2022 that AOP filed a civil action against the Company and its US subsidiary in the Superior Court of Commonwealth of Massachusetts, claiming the following: (1) the transactions between the Company and its US subsidiary affected AOP’s rights; and (2) the Company and its US subsidiary's request against AOP to amend the License Agreement constitutes unfair competition. However, AOP has not specified the claim amount.	2022.10.18	The Company has retained counsel to submitted the Statement of Reply to the court: The licensing agreement signed between AOP and the Company has expressly stipulated that any disputes related to or arising out of the licensing agreement shall be submitted to arbitration, and therefore this dispute related to the licensing agreement shall be subjected to arbitration. Hence, the litigation has obviously violated the provision of this agreement. On August 7, 2023, United States District Court for the District of Massachusetts decided that whether the claims made by AOP in the case in dispute are arbitrable shall be determined by the ICC arbitration tribunal. The Company has dealt with this matter in a manner that it deems appropriate and has retained US lawyers to evaluate to respond to the legal action and will re-evaluate the reasonableness of the relevant approaches in each subsequent financial reporting period.

(13) Other important risks and mitigation measures taken

Item	Possible Risks	Response Measures
R&D	• R&D and biocompatibility test results are not as expected. • R&D progress behind schedule. • Difficulties with recruiting and retaining R&D talent. • Uncertainty over clinical trial progress or results	• Establish a rigorous trial management and quality control mechanism based on previous experience with animal and clinical trials, timely adjust R&D strategies • Develop a diversified set of indications, mitigating risks from single-product development • Build a competitive talent recruitment and retention system, and provide professional training and development opportunities • Collaborate with academic and research institutions to cultivate professional biopharmaceutical R&D talent.
External Cooperation	• Progress or results of sponsored studies or clinical trials fail to meet expectations	• Select companies with international experience and good track records on collaborations for sponsored studies, build long-term partnerships • Comply with international clinical trial standards, and implement professional management mechanisms to ensure trial quality and progress
Manufacturing	• Changes in the plant inspection standards and timelines of competent authorities in different countries	• Establish a manufacturing system that meets international GMP standards, and improve vertical integration from R&D to manufacturing • Continue to maintain and strengthen quality control systems to meet the regulatory requirements of different countries, ensuring product quality and supply stability.
Marketing	• Increasing competition from international pharmaceutical companies	• Continue collecting clinical data and empirical evidence to increase acceptance from medical professionals and patients • Strengthen collaborations with medical institutions and professional groups to promote our products' inclusion in clinical applications and treatment guidelines
Laws	• The timeline for drug license review and approval varies by country. • Changes in health insurance payments and policies affect market development	• Strengthen communications with competent authorities, improve application documents in line with international standards, such as the International Council for Harmonization (ICH) standards • Continue monitoring changes in healthcare policies in different countries, and adjust market strategies accordingly
Finance	• New drug development takes a long time, and is capital intensive	• Maintain a sound financial structure and improve budget management • Apply for project funding by meeting government policy requirements • Meet funding needs through diversified financing sources

7. Other Important Matters

None.

PharmaEssentia Corporation

Chairman: ChingLeou Teng

VI. Special Notes

1. Information on Affiliated Companies

Please refer to the Affiliated Companies Three Electronic Books section on the Taiwan Stock Exchange Corporation Market Observation Post System website for the Company's 2025 Consolidated Business Report of Affiliated Companies:

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

2. Private Placement Securities in the Most Recent Year and Up to the Publication Date of This Annual Report

None.

3. Other Necessary Supplemental Information

None.

4. Any Matters in the Most Recent Fiscal Year and as of the Publication Date of this Annual Report that Had Material Impacts on Shareholders' Equity or the Company's Securities Prices

None.